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CORRESPONDENTS REPORT FINAL STAGE OF ROME TRIAL

AU041943 Sofia BTA in English 1900 GMT 4 Jan 86

[Report by Nencho Khranov and BTA correspondent Khristo Petrov: "The Final Stage of the Rome Trial" -- BTA headline -- spelling of all names as received]

[Text] Rome, February 4 (BTA) -- The Rome criminal court hearing the second pope plot trial resumed its proceedings today. Court President Severino Santiapichi announced that the records of the international rogatory commission in Turkey and Bulgaria have been received along with documents on a drug smuggling court trial in Switzerland against Abdullah Catli, Mehmet Semer and other "Grey Wolves."

One final attempt was made to revive in some way the theory of the Bulgarian connection by reading the testimony of one Husein Dangil, given in court at the town of Iskenderun, Turkey. He claims that he had learned from Bekir Celenk's "treasurer" Ali Yildirim that Celenk had paid Agca the sum of 3 thousand "Deutsche Marks or Dollars" in "compensation for the attack on the pope." Every sentence of this "testimony" started and ended by the phrase, "I can't remember", "My conversation with Yildirim was unclear". The conversation in question had been conducted in Sofia, but the witness "does not remember the address and the present whereabouts of Yildirim."

In connection with this testimony, Prosecutor Marini requested the court to make inquiries in Bulgaria and Turkey about the identity of Yildirim and whether he had been interrogated by the investigation authorities. The judge, however, rejected this request and said the judicial inquiry was completed.

Court President Santiapichi then told the prosecutor to start his summation. The judge said the counsel for the prosecution will wind up his final arguments in five or six hearings, and will be followed by defence arguments delivered first by Sergey Antonov's lawyer, Giuseppe Consolo. It was announced that since another trial was being heard at the Foro Italico courtroom, the court will be sitting three times a week and the summations should be completed by the end of February. This means that the verdict will be returned in the first half of March.

Prosecutor Antonio Marini said the trial had been "crippled" because of the court's inability to hear key pieces of testimonial evidence. In this connection, Marini mentioned the names of Oral Celik and Bekir Celenk. He tried to blame the Bulgarian judicial authorities for failing to extradite Celenk to Italy, ignoring the fact that despite the lack of a legal cooperation agreement between the two countries, Bulgaria allowed the Italian investigating magistrate Ilario Martella to question Celenk. And after Celenk returned to Turkey at his own request, the local authorities did not allow his interrogation by the Rome criminal court. The prosecutor did not even mention that in all his testimonies Bekir Celenk rejected categorically Agca's allegations and asserted that the Bulgarian connection was a frameup.

Prosecutor Marini stated that this had been a very difficult trial for the Italian justice because the case had some of the characteristics of an international intrigue "in which everything may run contrary to everything." The prosecutor stated that the trial had from the very start been plagued by falsehood, machinations and exploitations and that the search for the truth had been difficult because of the case's negative political and ideological implications.

Then Marini went on to discuss the personality and deportment in court of the killer Mehmet Ali Agca, calling it "irresponsible".

But immediately after that he tried to make the same insinuations about Sergey Antonov as well, who had earlier refused to appear before the court. However, the prosecutor omitted to mention the fact that despite his poor health resulting from the long term of detention, Antonov had regularly appeared before the court for four months and when interrogated, had told the court clearly and categorically that he had been [words indistinct] to do with the crime ascribed to him by the slanderer Agca.

As far as Agca's deportment is concerned, with its contradictions and pseudoreligious sermons, this was explained by Prosecutor Marini in quite a strange way: The criminal had allegedly tried to destroy his own credibility. His [word indistinct] had been to "leave all roads open", i.e. to be set free from the outside.

In respect to Agca's speculations about "Fatima's third secret", Prosecutor Marini explained that the story had been featured in one of the newspapers found in Agca's prison cell. The Catholic priest who tried to murder the pope during the latter's visit to Spain in 1982 had named in this paper "Fatima's third secret" as the motive for his crime.

According to the prosecutor there is more than Agca's testimony to point to the existence of a plot to kill the pope. Marini then recollected the motivation of the verdict returned at the end of the first trial of the papal shooting, which reads that the decision to kill the pope had not been made by one person alone but had rather resulted from a plot organized by unknown persons. Bagci's testimony also referred to such a plot. It leads to an operational and organizational network not only in Switzerland but also with branches in the FRG and Austria.

Marini pointed to the situation in St. Peter's Square in the day of the shooting as an argument in favor of the existence of a broader plot. He dwelled in greater detail upon the photo of the running man, who, according to Marini, had carried a pistol in his hand.

It is still too early to guess what will be the main direction of the prosecutor's summation, but several basic outlines have come to the fore even at this early stage.

Since Agca has, through his own deportment and contradictory testimony, dealt the prosecution a heavy blow, Marini tried to draw the attention on those of the assailant's allegations which have to a certain extent at least been confirmed by his direct accomplices, and by Catli and Bagci in particular. Thus Marini drew the conclusion that, if Agca had made statements about the purchase and delivery of the pistol which were later corroborated by witnesses, then everything else he said must be credited as true.

The prosecutor's summation will continue during the next court session on Thursday [6 February].

ZHIVKOV SENDS BIRTHDAY MESSAGE TO CEAUSESCU

AU311909 Bucharest SCINTEIA in Romanian 30 Jan 86 p 5

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania

Esteemed Comrade Ceausescu,

On the occasion of your birthday, please accept my most cordial greetings and wishes for much health, personal happiness, and new successes in building the fraternal and neighboring Socialist Romania.

I believe that our meeting and the fruitful talks we held in December last year in Bucharest will make a contribution to continuously developing the traditional Bulgarian-Romanian friendship and the many-sided cooperation between our peoples, parties, and countries in order to strengthen the unity of the countries belonging to the socialist community and the cause of peace and socialism.

Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria

INTERNAL AFFAIRS MINISTRY'S BCP BODY CONVENES

AU311416 Sofia RABOTNICHESKO DELO in Bulgarian 29 Jan 86 pp 6, 8

[Dragomir Penchovski report: "By the Order of the Party and People"]

[Text] The 30th accountability-election conference of the party organization at the Ministry of Internal Affairs [MIA] was held yesterday in the Georgi Kirkov hall of BCP headquarters. The following took part in the work of the conference: Dimitur Stoyanov, candidate member of the Politburo of the BCP Central Committee and minister of internal affairs; Georgi Georgiev, first secretary of the Sofia Grad BCP Committee; and Velko Palin, head of the Social and National Security Department of the BCP Central Committee.

It was stressed in the materials and the speeches of the conference that the growth and successes of the MIA organs as a system defending the rights of the socialist society are due to the steadfast observance of and adherence to the Leninist April line and policy of the BCP Central Committee, and to the effective links with the workers.

Notwithstanding the results achieved, both unresolved issues and permitted weaknesses were analyzed in depth and in a frank and critical spirit.

In his speech, Comrade Dimitur Stoyanov emphasized that the successes achieved are a material precondition for mobilization of all forces for a determined reorganization in the spirit of the decisions of the February 1985 plenum of the BCP Central Committee and of the plenum of 24 and 25 January this year. This requires an improvement of the entire activity of the MIA organs, which with the forms and means specific to them are to confirm the policy of the party in the social-economic development of the country, in the education of the socialist personality, and in surmounting weaknesses and deficiencies in order to create optimum conditions for the people's tranquil, peaceful, and creative labor.

VIDIN OKRUG BCP REPLACES CHIEF; BALEV ATTENDS

AU051916 Sofia Domestic Service in Bulgarian 1830 GMT 5 Feb 86

[Text] On 5 February a plenum of the Vidin Okrug BCP Committee was held. Comrade Milko Balev took part. Organization matters were examined. Khristofer Ivanov was released from the post of first secretary of the Vidin Okrug BCP Committee, due to transfer to other work. The plenum elected Geno Toshkov, candidate member of the BCP Central Committee and previously chairman of the Executive Committee of the Vidin Okrug People's Council, as first secretary of the okrug BCP Committee.

REAGAN'S EVASION OF PROBLEMS 'DISAPPOINTING'

LD052016 Prague Domestic Service in Czech 1730 GMT 5 Feb 86

[Michal Cermak commentary]

[Text] It has become the custom for the State of the Union address to be some sort of policy announcement by the President for the coming period, particularly concerning his relations with Congress. That is why it is always awaited with tension. If in the past Ronald Reagan's speech has been evaluated by what he has said, then this year it was the opposite. President Reagan, you see, evaded all serious problems, and his speech is considered disappointing everywhere across the ocean.

In particular, this time he did not even give a reply to the fundamental Soviet proposal to definitively rid the earth of mass destruction weapons by the end of this century. Nor was he even concerned over the fact of the reality of the catastrophic government deficit or the record passive trade war. Among the Democratic members of Congress, this approach provoked bitterness. In the official reply to the President's message, Senator George Mitchell said that it is not possible to believe words that avoid looking at the world as it is, and that claim that the United States can afford to waste enormous sums on arming and limiting taxes without balancing the federal budget. William Grey, chairman of the House of Representatives Budget Committee, pointed out that the United States, as a result of the continuous indebtedness of the present administration, has changed from a lender to the largest debtor in the world. But it appears that Democratic Party Chairman Paul Kirk was most to the point. He did not shrink from claiming that President Reagan has increased the state debt and budget deficit to a catastrophic size not achieved by all 39 previous presidents combined, beginning with Washington and ending with Carter.

A similar reaction immediately before the President delivered the next year's proposed budget to Congress is undoubtedly a forewarning of great difficulties for the White House on Capitol Hill, simply because the state of the union is anything but rosy as President Reagan claims. The consequences of the policy of continuous cuts in social spending have meant an intolerable increase of the poor. There is no success in resolving the problem of unemployment. Virtually all minorities are being pushed to the fringes of society. Also, the arguments used to justify the senseless arming and burdening the state budget with expenditures on more new arms programs become less and less convincing. For what threat is represented by the Soviet Union, which is proposing to destroy all arms capable of reaching the United States?

Apart from the fact that the State of the Union address leaves unanswered all burning internal political problems of the United States, it is a disappointment particularly because it does not yet hint at any positive White House trend toward a more realistic foreign policy, which is eagerly awaited by literally the whole world.

HUSAK CABLES BIRTHDAY CONGRATULATIONS TO REAGAN

LD052009 Prague Domestic Service in Czech 1730 GMT 5 Feb 86

[Text] Gustav Husak, president of the CSSR, sent a telegram of congratulations to U.S. President Ronald Reagan on his 75th birthday.

DRAFT SOCIOECONOMIC DEVELOPMENT GUIDELINES ISSUED

AU210501 Prague RUDE PRAVO in Czech 11 Jan 86 pp 3-6

["The Main Guidelines for the Economic and Social Development of the CSSR for the Period 1986-90 and Prospects for the Period Until the Year 2000; the Draft of the Document To Be Discussed at the 17th CPCZ Congress"]

[Text] The CPCZ Central Committee submits the draft of the Main Guidelines for the Economic and Social Development of the CSSR for 1986-90 and Prospects for the Period Up to the Year 2000 for discussion; the results will be used for the finalization and discussion of the draft at the 17th CPCZ Congress.

Last year we commemorated the 40th anniversary of our country's liberation by the Soviet Army, and the establishment of the people's democratic Czechoslovakia. We assessed the results that our country had achieved under the CPCZ's leadership in building a socialist society and raising the people's standard of living. The socialist industrialization of our country was carried out, Slovakia was industrialized, a strong material-technical base for industry, the construction industry, and transport and communications was built, and the socialist reorganization of agriculture on a cooperative basis was carried out. Socialist production relations prevailed throughout the entire national economy, the status of the working man substantially changed, and the standard of living of all strata of the people markedly increased. The tasks of the cultural revolution were successfully fulfilled, and the people's educational standards and the training of working people in skills were raised substantially. We built up a great scientific and scientific-technological potential. The socialist social system was reinforced, and socialist democracy and the participation of citizens in the management and the administration of the state was comprehensively developed. We achieved these results in a historically brief span of time, thanks to the selfless work of our people and the development of all-round cooperation with the countries of the socialist community, especially the Soviet Union.

The unity and cooperation of our nations and nationalities has strengthened on federative foundations.

Despite the complexity of both internal and external conditions, important progress was recorded during the past 15 years in applying the general policy of building a developed socialist society, which had been set at the 14th CPCZ Congress and worked out further at the 15th and 16th congresses.

The 14th congress became a historic watershed in the life of the party and the country. Our people were able to convince themselves by their own experiences that the program for building a developed socialist society in Czechoslovakia is in line with their vital interests and needs. An exceptional upswing in all spheres of the social, economic, and cultural life of society was achieved through the realization of this program. The friendship and alliance with the Soviet Union and the other socialist countries deepened further. Czechoslovakia is a firm component of the socialist community. Our economic and scientific-technological cooperation with the CEMA countries was comprehensively developed. Our country's prestige in the world increased, its international ties were strengthened, the country's defense-capability and security was increased, and we are taking an active part in the efforts to strengthen peace and progress in the world.

A -- Economic and Social Development Since the 14th CPCZ Congress

The basis of economic and social policy for the 1971-85 period was the general policy of building a developed socialist society. This program of the party, aimed at intensifying the national economy and improving the efficiency and quality of all work, was successfully fulfilled in the past 15 years. This is borne out by the

results achieved in the development of the national economy, which, despite ever more exacting conditions, made it possible to better satisfy the needs of society, further raise the population's standard of living, and strengthen its social certainties.

The material-technical base of social production was reinforced. There were some important changes in the structure of industrial production and in construction. Socialist large-scale agricultural production was reinforced, and the efficiency of the national economy was gradually increased. We achieved, in essence, the equalization of the socioeconomic level of the two republics. The economic and scientific-technological cooperation and the coordination of the 5-year plans with the CEMA states, especially with the USSR, were deepened, and cooperation and specialization of production were developed further.

The all-around rise in the education of the population and the rapid growth of the skills of the working people created prerequisites for further dynamic and effective economic and social development.

In 1985, gross national income was 80 percent higher than it was in 1970; 92 percent of this increment was accounted for by the growth of social labor productivity, which rose 70 percent in 15 years.

Industrial production rose 95 percent. The branches safeguarding technological progress and the utilization of the domestic raw material base were given priority development. Engineering production increased 2.6-fold, within which the electrotechnical industry increased 3.4-fold, and production of the chemical and timber-processing industries increased 2.2-fold. Construction work carried out by construction organizations grew by roughly 85 percent.

Agricultural production rose by 34 percent and food production by 55 percent. This made it possible to improve the quality of our people's nourishment and to systematically improve the social and economic conditions of the people working in agriculture. The successful fulfillment of the goal of the 14th CPCZ Congress, covering the increased consumption of food from domestic production, made it possible to determine a more demanding course of gradually achieving self-sufficiency in food production. At the end of the Seventh 5-Year Plan, self-sufficiency in the production of grain was substantially attained.

The results achieved in the development of the national economy made it possible to fulfill the main objective of the CPCZ economic policy -- to raise and improve the standard of living.

During the past 15 years private consumption grew by 45 percent, and material social consumption by 106 percent. The average monthly wage of workers in the national economy rose by 50 percent and reached Kcs2,954. In connection with the development of economic conditions, the retail prices of goods and services were amended in some cases. The real income of the population increased by more than half, and the average real wage by more than 20 percent.

The per-capita consumption of meat reached 85.4 kg; consumption of milk and dairy products increased by 25 percent. The provision of durable goods to households improved: there were 145 washing machines per 100 [figures 145 and 100 as published] households, that is, 60 percent more than in 1970; 115 refrigerators, that is, almost twice as many; 125 television sets, that is 45 percent more; 49 passenger cars, that is more than 2.5-fold compared with 1970. Consumption of gas and electricity in households more than doubled.

Great attention was paid to the solution of the housing problem. In the past 15 years 800,000 apartments were built, and thus more than one-third of all CSSR households were able to move into new apartments. Apartments rated as first category already account for more than three-fourths of the housing stock.

Health services were developing in accordance with the conclusions of the party congress. The number of beds in health-related facilities increased 12 percent and reached 196,000. There is one medical doctor for every 275 people; in 1970 the figure was 432 persons per doctor. The number of places in day-care centers increased from 73,000 to 124,000.

Considerable sums were invested in education, including in its material-technical base. Fundamental changes were gradually carried out in the conception of the work of all schools and educational facilities, both in terms of content and organization. Preschool education was fully ensured. The number of children in kindergartens rose by 80 percent, and the proportion of children of appropriate age attending these schools amounted to 95 percent. Since the 1980s, the training of employees with intermediate secondary-level education became similar to that for those with completed secondary-level education. A 10-year general polytechnical education was introduced. The number of those studying at secondary schools rose by 12 percent and the proportion of secondary-school graduates in the total number of employees in the national economy rose from 14 percent in 1970 to 25 percent in 1985. The share of employees trained in workers professions rose from 43 percent to 56 percent. The number of persons studying at university-level schools rose by 38,000 and reached 143,700 persons, and in the same period the proportion of persons with university-level education in the total number of employees increased from 4.1 percent to 8 percent.

Further successes were achieved in the sphere of culture and the arts. Artists of all generations enriched our society with new values. The working people also developed their own cultural creativity. Care for cultural monuments was increased. The development of mass information media, particularly television, was ensured and the second television channel was put into operation.

Improvement in social security, in keeping with the resources created, in turn led to strengthening the social guarantees of the population. Grants given on the birth of a child were increased, and child allowances were raised (for example, for 2 children from Kcs330 to Kcs650 per month), the payment of a maternity allowance for mothers taking care of children was introduced and expanded; advantageous loans for newly married couples were introduced, together with the state contribution when children are born; the entire system of pensions was improved and sickness benefit rates were raised markedly further. The total income of the population from social security increased by 109 percent in the past 15 years. The average old age pension increased by more than 50 percent.

The country's economic potential was increased considerably; production material and raw material resources began to be used more economically. In the past 15 years, a total of Kcs2,190 billion was invested in the modernization and expansion of the material-technological base of production, of which Kcs764 billion went to industry, Kcs255 billion to agriculture, and Kcs310 billion to comprehensive housing construction. The value of all basic assets increased 2.3-fold and reached Kcs1,810 billion.

Capacities were built for the annual extraction of 65 million metric tons of coal to replace moribund [dozivajici] capacities, as well as for increasing coal extraction. Power plants were built with a capacity of more than 10,000 mw, of which 2,200 mw involved nuclear power plants. There were 3,800 km of gas pipelines built, capable of carrying 53 billion cubic meters of natural gas annually. The storage capacity of underground gas reservoirs was also increased. Important capacities were also built for the production of steel, rolled material, and steel pipes; in addition, new petrochemical combines with built in the chemical enterprise of the

Czechoslovak-Slovak Friendship Concern in Litvinov and in the Slovnaft Bratislava national enterprise. Numerous engineering enterprises were built and modernized (especially for the production of equipment for nuclear power plants, for the expansion of Tatra trucks production, in the electrotechnical industry, in agro-engineering, and others); new celloulose-paper combines in Ruzomberok and Paskov; a number of timber-processing combines and capacities for furniture manufacture; new meat-processing combines; and dairies were constructed.

A total of 586 km of freeways and other projects of city bypasses, as well as three subway lines were commissioned, and a further 972 km of railroad lines were electrified. A number of large department stores, supermarkets, hotels, and important projects of a social and cultural nature were built (especially the Palace of Culture and the reconstruction of the National Theater in Prague, the House of Trade Unions in Bratislava, and new projects connected with radio and television broadcasting). The retail trade network in the countryside was rebuilt and modernized; a considerable number of school buildings were built, enabling an increase in the number of classrooms by 19,000; new health, physical training, spa, and recreational facilities were built. The modernization and automation of the intercity telephone network continued, increasing the automation of central telephone districts from 23 percent in 1970 to 68 percent in 1985. The construction of basic television transmitters for the first channel was completed. The broadcasting network of the second channel provides a quality signal covering 71 percent of CSSR territory. A significant contribution to the development and beautification of villages and cities was made by the initiative of citizens, the realization of election programs, and by a considerable number of projects of local importance built under the citizens' "Z" self-help program -- for example 204,000 places in kindergartens, almost 19,000 km of water mains and sewers, and more than 1,800 social and cultural buildings. In this way projects valued at more than Kcs60 billion were built in the past 15 years.

The further deepening of economic cooperation and socialist economic integration of the CEMA countries takes significant credit for the achieved results. Some of the most important projects carried out in the past 15 years are, in particular, the joint construction of the gas pipeline from Orenburg to the USSR's western border, the construction of the Chmelnice nuclear power plant, and the joint construction of the Kimbayev combine for the extraction and processing of asbestos. Imports from the USSR cover 100 percent of our total needs for crude oil and natural gas; 96 percent of ore; and a great proportion of further imported raw and other materials. The CSSR is taking part in the specialization and cooperation of the production of equipment for nuclear power plants. It ensures, above all, the deliveries of complete reactor vessels, steam generators, and special industrial fittings. Also of considerable importance is the agreement on the specialization and cooperation of production in the chemical industry, by which the CSSR specializes in the production and deliveries of sophisticated [kvalifikovana] and less energy-intensive chemical production in exchange for deliveries of bulk [tezka] chemicals.

The effectiveness of the economy gradually increased in accordance with the intensification plans. Good results were achieved in reducing the share of material costs in output and with regards to the production sector's demand for energy. Specific [merna] consumption of fuels, energy, and raw and other materials dropped. In 1985, compared with 1970, consumption of fuel-energy resources per Kcs1 million of created national income dropped by almost 28 percent; of metals, by 30 percent; of cement, by 26 percent; and so forth.

These results were achieved in complicated conditions. The cost of obtaining and securing the fuel and raw materials base rose substantially; the conditions under which our products are bartered on the markets of nonsocialist countries worsened because of the aggravation of crisis phenomena in the capitalist states and their discrimination. Import prices grew faster than the export prices of our processing industry.

The adaptation of the Czechoslovak economy to the fundamental changes in external conditions did not occur at the necessary pace, however. At the end of the 1970s and in 1980 this temporarily caused the growth of indebtedness in convertible currencies.

The economic policy of the CPCZ determined by the 16th congress set, as the pivotal objective of the development of the economy in the 1981-85 period, the maintenance -- even under more difficult internal and external conditions -- and of the population's high standard of living and its continued improvement in line with the achieved results, while gradually restoring the internal and external economic equilibrium.

These intentions had to be achieved above all through a consequent assertion of the strategic program of raising the effectiveness and quality of all work, founded on the full implementation of the intensification factors of growth, fundamental changes in production, fuller utilization of the results of scientific-technological development, deepening participation in the international division of labor, and perfecting the system of planned management.

After the 16th CPCZ Congress the unfavorable development of external conditions continued; the international situation worsened further. This, together with the tackling of internal problems concerning the development of the economy, was reflected in the finalization of the Seventh 5-Year Plan, in which priority was given to restoring the equilibrium of economic development rather than to the dynamism of its growth.

With this aim in mind, growth of the national income in the first 2 years of the Seventh 5-Year Plan was slowed down in a planned manner. On the basis of increased effort throughout the national economy, restoration of the dynamism of development was already achieved in 1983.

The results achieved during the period of the Seventh 5-Year Plan, and in particular during the 1983-85 period, prove that the basic conceptual intentions of the party's economic policy set by the 16th congress and concretized in the Seventh 5-Year Plan were in essence fulfilled, and in some respects even exceeded. One succeeded in accelerating the process of adapting the economy to new conditions, mastering the consequences of reducing some raw material and energy inputs, and maintaining production's smooth development. The internal as well as external equilibrium was gradually restored, and -- in accordance with the tasks of the 16th congress -- the population's high standard of living was also preserved, and prerequisites for restoring the dynamism of the national income's growth were created.

During the 5-year plan, the volume of gross national income increased by 11 percent; at the same time, in the 1983-85 period its average annual dynamism was 3.2 percent. In 1985, compared with 1980, social labor productivity increased by almost 9 percent. Industrial production grew by 15 percent, and agricultural production during the Seventh 5-Year Plan grew by 9.8 percent. Better results than the plan envisaged were achieved in the growth of personal and material social consumption.

The deepening of the process of the economy's intensification reduced the consumption of fuel-energy resources used to create national income by an average of 1.7 percent annually, compared with 0.9 percent envisaged by the Seventh 5-Year Plan. In 1985, compared with 1980, absolute consumption of crude oil, bituminous coal, iron ore, rolled material, natural rubber, wool, cement, nonferrous metals, and some other raw materials was reduced. In 1985, compared with 1980, the demands of the national economy for transportation decreased by 8 percent. The share of material costs in input was reduced by an average of 1.1 percent annually, compared with the planned 0.8 percent.

Increased attention was paid to implementing the results of scientific-technological development in practice. In 1985 the share of the value of new products with a high

technological-economic standard reached almost one-third, compared with 21 percent in 1980. The volume of production realized on the basis of the tasks of the plan for technological development at all levels of management reached approximately 20 percent of the total volume of industrial production. The number of utilized Czechoslovak inventors' patents doubled. The number of annually submitted innovation proposals nears the 400,000 mark. Even though the conclusions of the eighth CPCZ Central Committee session were in this way gradually introduced into practice and the scientific research base was continually beefed up with personnel [pracovnici], and financial, and foreign currency resources, the overall progress in the accelerated implementation of the results of science and technology in practice still does not correspond to the possibilities and needs of the national economy's effective development.

On the basis of structural changes, especially in industrial production, the importance of processing branches grew and the share of raw material and energy branches declined.

Engineering production increased by 29 percent, of which production in the electrotechnical industry increased by 51 percent, while production in the metallurgy industry increased by 5 percent, and that of construction materials by less than 3 percent.

The construction of nuclear power plants was an important structural change. In 1985 the proportion of electricity from nuclear power plants already constituted 14.5 percent of total production.

The smoothness of the fuel and energy supply was systematically reinforced; the tasks of the Seventh 5-Year Plan with regard to coal extraction were exceeded by 6 million metric tons.

Exceeding the tasks of the 5-year plan in agriculture by 4.2 percent made it possible to further improve the nutrition of the people and substantially increase the extent of self-sufficiency in foodstuffs. The development of plant production overtook animal production. The rate of growth of plant production was twice as high as that of animal production. In the 1981-85 period, 54.4 million metric tons of grain were produced -- 4.1 million metric tons more than in the Sixth 5-Year Plan. During that 5-year plan, per-hectare yields increased on average by 12 percent. The growth of plant production, a better use of concentrated feed, and a better utility value of farm animals enabled us to exceed the planned tasks in the production and procurement of animal products, and substantially reduce imports of grain.

Our economy's participation in the international division of labor, especially through the further development of socialist economic integration, deepened during the Seventh 5-Year Plan. The plan for exports to the socialist countries was exceeded. In Czechoslovakia's total turnover the share of foreign trade with the CEMA states increased to 74 percent, compared with 65 percent in 1980.

In the sphere of external economic relations with the nonsocialist countries, an edge of exports over imports was achieved. The indebtedness in freely convertible currencies was substantially reduced. The planned increase of exports, especially of machinery and equipment, was not fulfilled. As a consequence of the processing industry's reduced export prices, the planned profitability of foreign trade was not achieved.

In accordance with the intentions of the 16th CPCZ Congress, the share of investments in national income was reduced and capital construction concentrated on selected branches and vital projects.

Despite the gradual improvement of the situation as regards putting capacities in operation, some important projects were not finished within the determined deadlines, and there were delays in starting production at the projected parameters. The utilization of capital assets did not develop satisfactorily. Their effectiveness declined in the course of the 5-year plan by 3.8 percent annually.

The pivotal objective of the economic policy determined by the 16th CPCZ Congress -- to maintain and improve the achieved high standard of living -- was fulfilled. Personal consumption of the population grew about 5.5 percent. Social consumption grew faster than the plan envisaged -- it increased by 25 percent and in 1985 reached Kcs176 billion; that is, Kcs11,358 per inhabitant.

The situation of deliveries of foodstuffs and industrial products to the domestic market showed improvement. Shortcomings, however, persisted as regards services and goods, their range and quality.

During the entire 5-year plan, a total of 490,000 apartments were built for about 1.5 million inhabitants, providing more square meters of living area and more rooms per apartment than the plan envisaged.

The results were achieved because of the implementation of the Set of Measures for Improving the System of Planned Management of the National Economy and the System of the Management of Agriculture, even though one did not quite succeed in finalizing and implementing in practice some of the Set of Measures' fundamental principles.

A significant contribution to fulfilling the conclusions of the 16th CPCZ Congress was made by the growing activity and initiative of the working people, the great upsurge of socialist competition, the brigades of socialist labor, the party's efforts, and the endeavors of trade union, youth organizations, and other organizations of the National Front.

We are entering the second half of the 1980s as a consolidated, politically strong, and economically advanced state with a high living and cultural standard and with good international-political standing. All this enables us -- aware of our high degree of responsibility for the further development of our socialist society -- to submit to the 17th CPCZ Congress a demanding but realistic program for speeding up economic and social development in the period of the Eighth 5-Year Plan and the period up to the year 2000.

B -- The Basic Guidelines of the CPCZ's Socioeconomic Strategy Up to the Year 2000

The main objective, which the CPCZ systematically pursues, is raising the people's standard of living, satisfying the population's material and spiritual needs on a qualitatively higher level, reinforcing their security and social guarantees, and creating ever more favorable conditions for man's harmonious development. Ensuring this objective is the basic task of our long-range economic strategy, based on acceleration of socioeconomic development through intensification and raising the effectiveness of social production, the quality of all work, and strict thriftiness. In accordance with the conclusions of the CEMA countries' economic summit, we will comprehensively develop economic cooperation and socialist economic integration with the socialist countries, especially with the USSR.

All-around intensification of the entire national economy calls for speeding up scientific and technological progress on the basis of full participation in implementing the CEMA Comprehensive Program for Scientific and Technological Progress Until the Year 2000, carrying out effective structural changes in production, improving the quality of management and planning, utilizing the economic mechanism, increasing the participation of working people in management, and raising their qualification and initiative.

In the period up to the year 2000, in the interest of raising the living standard of the population and improving their living and working conditions, it is necessary to:

-- Pay primary attention to the further growth of private consumption by the population, so as to ensure a more profound link between the interests of the individual and the interest of society; increase the material stake of the working people in the results of their work; reinforce the socialist principles governing remuneration; increase the personal consumption of the population by at least half, and give preference to improving its quality and structure; accelerate the growth and increase the share of sales of industrial consumer goods, especially of high quality engineering and electrotechnical products; substantially increase the share of imported goods with the aim of completing and enriching the domestic market; raise the standards of retail trade sales [kulturnost prodeje]; and expand paid services;

-- It is necessary to achieve a qualitative improvement in the public consumption of the population, especially in education, the health services, and social welfare; create more favorable conditions for the education of the young generation by realizing the program of the further development of the Czechoslovak educational system for increasing by half the share of workers [pracovnici] with university-level and secondary school qualifications; improve, in proportion to the growth in the living standards of the economically active population, the social security of those people who because of age or illness cannot take part in the working process;

-- Improve preventive medical care in the struggle against illnesses which cause the greatest social burden; perfect the care for handicapped citizens; expand nursing services for elderly citizens; enlarge the capacities of treatment facilities for the chronically ill; improve the health sector's equipment through modern diagnostic apparatus and treatment technology; expand spa services;

-- Improve the quality and standard of housing; alongside new construction, substantially increase the extent and quality of repairs and maintenance of the housing stock and speed up its modernization; it is necessary to pay great attention to the development of cities as centers of people's social and cultural life; concentrate potential and means for the revitalization of city centers; improve further the care for cultural monuments;

-- Create conditions for extending leisure time in the interest of the fuller development of the working people's personalities and creative talents, to divide up the expansion of leisure time in such a way that it corresponds better to the demands of one's profession and the merit principle;

-- The creation and protection of the environment is an integral part of the further development of the living standard; in the period up to the year 2000 it is necessary to gradually reduce the degree of air and water pollution in the most afflicted regions; continue to resolve the elimination of solid and communal wastes; reduce the extent of soil erosion; and improve forests;

-- Create prerequisites for the growth of the people's standard of living through the further development of the national economy and a long-range stable dynamic growth of the national income; achieve, up the year 2000, a more than two-thirds' increase in the national income compared with 1985. In essence this growth must be achieved through the growth of social productivity of labor.

In order to achieve this objective, it is necessary to speed up the process of intensification, and realize a gradual technological and structural reconstruction of the Czechoslovak economy; to achieve -- in respect of the creation of the national income -- a one-third reduction in its energy demand, and reduce demand for ferrous metals by 40-50 percent.

An accelerated application of scientific-technological progress in the CSSR national economy and the realization of the CEMA Comprehensive Program for Scientific and Technological Progress Until the Year 2000 must become the foundation. Scientific-technological progress is to be oriented toward:

-- The application of electronics in the national economy;

-- Comprehensive automation, above all of mass production, and the introduction of flexible automated production systems;

-- The development of nuclear engineering, raising the share of electric energy in the overall CSSR fuel-energy balance sheet;

-- The development of new types of materials and the assimilation of their production with efficient technologies;

-- The development of biotechnologies and their broadest possible utilization.

The crucial role in accelerating the development of science and technology must be played by the engineering and electrotechnical industries, which -- on the basis of intensified cooperation, especially with the socialist states -- must ensure the necessary machinery and equipment of high technological standards for the modernization of the production-technological base of the Czechoslovak economy and for the transition toward principally new technological processes and state-of-the-art technology. They must speed up innovation processes and achieve substantial growth in the quality of products and in their technical-economic standards and reliability, which must be on a par with foremost world producers.

The long-term strategy of increasing the creation of resources must be based on the accelerated dynamism of production, particularly in branches marked by intensive innovative activity and a high input of science and technology, that is, engineering, the electrotechnical industry, and sophisticated chemistry, including pharmaceutics. In the light and wood-working industries, priority must be given to the development of production that permits the maximum efficient use of raw materials and the best use of employees' qualifications.

The development of raw-material and energy-intensive branches must be subordinated to economic efficiency. It is essential to ensure a decline in the material-intensiveness of production, and significantly raise the degree of utilization of material resources throughout the national economy. Better use must be made of secondary raw materials and zero-waste technologies must be applied. A long-term comprehensive program for ensuring the development of the Czechoslovak national economy in terms of raw materials must be worked out.

In the fuel-power sector, the role of nuclear power and natural gas is to be enhanced. The installed capacity of nuclear power plants should be raised to roughly 10,000 megawatts by the year 2000. The use of crude oil products for electricity generation must be phased out.

The agricultural-food industry complex must continuously ensure rational supplies of food to the population as an important part of living standards, while maintaining high standards of cost efficiency and quality, and further raise the degree of our self-reliance in the production of food. By applying comprehensive mechanization, chemicalization, and biologization, [biologazace] the process of putting agricultural production on an industrial footing must be completed. Broad use must be made of electronics for the direction of production and technological processes in plant and livestock production, as well as in the food industry. Negative influences on the natural environment must be limited, and losses in all phases of production and processing of agricultural products reduced. A proportionate development of all

links in the agricultural-industrial complex must be ensured so as to achieve a balanced and comprehensive utilization of all factors of intensification at the level of the latest scientific and technological knowledge. Priority must be given to the modernization of the material-technological base of the food industry as an essential prerequisite for the efficient use of agricultural raw materials and for securing the requisite range, equality, and durability of foodstuffs.

Switching the economy onto the path of intensive development requires that we markedly raise the efficiency of the international division of labor in accordance with the conclusions of the economic summit [of CEMA states in June 1984], and deepen cooperation with the Soviet Union and the countries of the socialist community, based on the optimal utilization of the individual countries' existing potentials and specific conditions of development. The agreements on programs of bilateral economic cooperation up to the year 2000 with individual socialist states, particularly with the Soviet Union, must be translated into action.

Exchange within branches and sectors, the main factor of growth in foreign trade turnovers, must be intensified. Specialization and production sharing as well as higher forms of cooperation must be actively promoted, especially the development of direct ties among economic organizations and the setting up of joint associations and enterprises. Economic and social policy must be coordinated and the coordination of plans perfected. International socialist division of labor must be promoted with the aim of reducing to the greatest possible degree the current broad range of products. Forces and resources must be concentrated on effective products of high technological standards. We must work out an important and export policy that would cover the broad range of our domestic needs by means of intensive division of labor.

Economic relations with nonsocialist states must be developed on the basis of mutual advantage. As far as industrially advanced capitalist states are concerned, the task is to achieve a more balanced structure of goods exchange. In exports to this area, the role of products that place high demands on research and development and skilled labor must be enhanced. Industrial cooperation must also be used.

Economic cooperation with developing countries must be substantially expanded, especially by means of participation in their industrialization programs through exports of machinery and equipment. Imports of raw and other materials from these countries, as well as finished goods, including consumer goods, must be increased.

In the interest of speeding up the structural rebuilding of the economy and raising its efficiency and performance, capital investment resources must be particularly earmarked for retooling and modernization projects and for the application of the results of research and development to progressive branches and future-oriented types of production.

The quality of the entire process of expanded production must be improved, especially that of capital investment. Modern building and assembly work technologies must be widely adopted, and conservation of cement, metals, and power must be ensured. The capacities of the building sector must be enhanced through modernizing the equipment of the entire process of construction, repair, and maintenance by means of technology and by increasing the number of employees.

A substantial acceleration of the process of economic intensification is conditional on a strong activation of the human factor; on the continuous growth of professional qualification and the need for requalification of some groups of workers.

The increase in the productive-age population that will begin to manifest itself in the nineties must be rationally deployed. The use of qualified employees must be focused on future-oriented and effective branches. In the interest of an improved use of basic assets, prerequisites must be created for the transfer of employees to

the tertiary sphere [comprising trade, transport, and services], especially to the area of paid services. The quality of economic management must be raised on the basis of a more comprehensive use of the advantages of the socialist economy and by perfecting the socialist system of management and planning. The Leninist principles of socialist management, particularly democratic centralism, must be consolidated and promoted. The economic legal powers and responsibility of enterprises and economic centralism, must be consolidated and promoted. The economic legal powers and responsibility of enterprises and economic production units must be enhanced and the participation of working people in management expanded in all possible ways.

C -- Main Tasks of the Party's Economic and Social Policy in the Years 1986-1990

I. The Basic Orientation of the Eighth 5-Year Plan

The fulfillment of the basic targets of socioeconomic development up to the year 2000 requires that national income in 1990 by 18 to 19 percent higher than in 1985, and that 92 to 95 percent of its increase be due to higher social productivity of labor, which will increase by a minimum of 17 to 18 percent over this period. We must achieve a substantially higher degree of the utilization of fuels, power, and raw and industrial materials and their conservation, especially on the basis of a further marked reduction in the material- and energy-intensiveness of production.

To achieve this goal, it is necessary to:

1. Speed up the introduction of the latest results of scientific-technological development into production and social practice; ensure, in particular, the greatest possible production growth on the basis of the implementation of resolved research and development tasks; increase the share of products of high technical-economic standards and raise the service life and reliability of products as an inseparable part of these standards; make more intensive use of international cooperation in science and technology and expedient use of licensing policy; and comprehensively encourage and utilize the improvers' and inventors' movement;

2. Further reduce the energy-intensiveness of the national economy, given the growing difficulties in obtaining increases in fuel and power resources; in the years 1986-90, achieve an average annual reduction of 2.9 percent in the consumption of fuel-power resources per unit of created gross national income; ensure, by means of the implementation of the state-target program for rationalizing the consumption and utilization of fuels and power, total savings of at least 15.4 million metric tons of specific fuel by 1990, compared with 1985;

Devote attention to progressive structural changes in the fuel-power balance; develop at a more rapid rate less energy-intensive production branches, guaranteeing a high degree of utilization of fuel-power and raw material inputs; make better use of fixed assets; introduce less energy-intensive technological processes; raise the technological standard of equipment producing and consuming fuels and energy and modernize this equipment, improve its maintenance, and ensure its reliable operation;

Make more economical use of fuels and power in the nonproduction sphere and in households; make more rational use of heat and, with this aim in mind, consistently introduce the monitoring of heat and hot water consumption, and equip sources of heat supply and central heating systems with automated regulation devices;

Reduce consumption of heating oil for electricity and heat production by at least 30 percent; permanently reduce consumption of fuels per unit of output in all branches of the national economy; in freight road traffic, reduce specific fuels consumption per unit of transport performance by at least 8 percent;

3. In all sectors of the national economy, substantially improve the utilization of metals; implement the state target program for rationalizing the consumption of metals and achieve total relative savings of approximately 2.5 million metric tons of ferrous and 70,000 metric tons of nonferrous metals in the national economy during the Eighth 5-Year Plan.

Improve the quality of norm-setting for the consumption of raw materials and industrial materials made of ferrous and nonferrous metals; orient the work of design offices toward achieving the progressive consumption norms stipulated in the state target program; adjust technological processes of production; assert essential changes of production programs in all branches of the national economy, especially in engineering and the building industry;

Reduce transport requirements by roughly 10 percent in the course of the Eighth 5-Year Plan and gradually resolve the comprehensive rationalization of goods circulation;

In accordance with the tasks of maximally reducing the energy- and material-intensiveness of production, ensure a decline in the share of material costs in the value of output by an annual average of 1.5 percent;

4. On the basis of a further rise in efficiency and the CSSR's deeper involvement in the international division of labor, particularly in socialist economic integration, achieve a more rapid growth rate of foreign trade than of created national income; give paramount attention to the promotion of economic cooperation with the USSR, particularly to the implementation of the program of economic and scientific-technological cooperation up to the year 2000;

Improve the maximalization of our production on foreign markets, suitably channel the territorial orientation of foreign trade, and make more effective use of commercial policy and of higher forms of economic cooperation such as production sharing and specialization;

5. Make more rational use of the rich experiences and skills of the working people and of their steadily improving qualifications in order to accelerate labor productivity growth in all branches of the national economy and increase its share in the growth of production and performance;

Ensure the professional training of numerically strong age groups; raise the qualification of the working people to make it correspond with the requirements of putting the latest scientific and technological knowledge into practice;

Consistently implement the merit principle; ensure that labor productivity growth exceeds the growth rate of average wages; tighten management, work discipline, and the regular rhythm of the work process, and make full use of working hours;

6. Substantially improve the use of existing capacities and fixed assets and speed up the liquidation of those that are obsolete and ineffective; markedly raise the effectiveness of investments; orient capital investment primarily toward renewing, retooling, and modernizing existing types of production, toward programs and projects marked by a rapid return on invested capital; make full use of the possibilities of increasing production wherever existing capacities are not fully utilized; reduce the excessive number of projects simultaneously under construction, and cut construction deadlines;

Markedly improve the development and utilization of inventories, speed up the time of their turnover, release the resources tied up in excessive inventories, and improve their composition, especially in favor of marketing inventories [odbytove zasoby];

7. Depending on the results achieved in the development of the economy, and in accordance with the demand to consolidate the socialist way of life, ensure a further development in the population's living standards; ensure an 11 to 13 percent growth in real personal income; improve the satisfaction of the population's needs by expanding and improving the quality of the supply of goods and services; develop in a comprehensive manner education, health care, culture, and other spheres meeting the needs of the population, and improve housing conditions;

In all sectors, consistently secure measures aimed at improving the living and working environment;

8. Permanently perfect the system of planned national economy management; deepen the role of the plan as the basic instrument of steering socioeconomic processes at all levels, making a more effective use of value relations and instruments in the process; further perfect the organization of the production-technological base; enhance the legal powers and responsibility of enterprises and economic production units for meeting society's needs; achieve a uniform, coordinated, and balanced influence of the economic mechanism on effective development and its dynamism and proportions, on the active utilization of all factors of intensification, on the speedy application of the results of research and development, on deepening integration in the international division of labor, and on creating an exacting economic climate for achieving high national economic yields.

By improving the quality of managerial and organizational activity, it is necessary to establish conditions for enhancing the participation by the working people in management as the basic prerequisite of mobilizing labor collectives and their initiative for achieving the targets of the party's economic policy.

II. Application of Scientific-Technological Development

In the Eighth 5-Year Plan, we must enhance the role of scientific-technological development as the crucial factor of the economy's intensification.

A more distinct application of scientific and technological development must be emphasized in implementing gradual structural changes in the economy. In doing so, we must proceed from the state scientific-technological and state target programs and from the tasks arising for the CSSR from the Comprehensive Program of Scientific-Technological Progress of CEMA Member-States Until the Year 2000. The tasks of these programs must be ensured on a priority basis in the plans at all levels of management. In implementing scientific-technological development in branch ministries, economic production units, and enterprises, we must apply a target-programmatic approach and ensure that the scientific-research base and capital investment focus on the set priorities and efficiency criteria. Prerequisites must be created for a marked rise in the efficiency of international cooperation in research and development, in close coordination with the USSR and other countries of the socialist community.

The economic sphere must be made to concentrate not only on the implementation of tasks arising from the state programs, but also on an initiative-filled, continuous promotion of the technological standards of production and product innovation.

The deadlines for the solution and implementation of research and development tasks must be cut, and it must be ensured that the results achieved are on par with world standards and that they are speedily applied in production.

The potentials and resources of science, research, and development must be concentrated, above all, on the following:

-- introduction of progressive technological processes permitting a marked rise in the productivity of labor, a decline in the material- and energy-intensiveness of production, and an improvement of working conditions;

-- introduction of electronics into the national economy;

-- speeding up the modernization and automation of integrated workplaces and gradual transition toward the comprehensive automation of complete technological units;

-- development of comprehensive mechanization and automation in the sphere of materials handlings, in intra-enterprise transport, and in the warehouse economy, with the aim of substantially reducing the degree of manual work and the existing number of workers in these areas;

-- development, assimilation, and production of new generations of machinery and equipment for the needs of modernization and retooling, machinery and equipment that are marked by a broader application of electronics. Standardization and uniform norms for crucial components and elements must be applied on a broader scale and efforts must be made for a more thorough standardization of international norms within the framework of CEMA;

-- development of biotechnologies and fermentation and microbiological productions and their use in the agricultural-food industry complex and in health care;

-- development of new types of materials, and a more intensive exploitation of the domestic raw material base and of secondary raw materials by means of higher use of zero-waste technologies;

-- creation and protection of the environment and perfection of care for people's health.

The quality of the plans of technical development must be systematically improved; society's need and efficiency must be treated as the basic criterion for selecting and solving research and development tasks. The implementation of these plans must be ensured comprehensively at all levels of management, and the deadlines for solving and implementing research and development tasks must be cut.

The number of employees in the sphere of science and technology is to be raised by 11,500 and 3.9 percent of used gross national income is to be allocated for the development of science and technology. The performance of the entire scientific-research base must be raised.

The organization of the management of the research and development base is to be streamlined and the plan-based provisions for the activity of scientific institutes are to be perfected, especially by means of supplying them with the requisite laboratory equipment, apparatuses, and computer and organization technology.

The quality of cadres in the research and development base must be improved by means of essential requalification and by increasing the share of creative employees.

Attention must be paid to systematically improving the quality of, and reinforcing, the pre-production stages as a condition for the rapid transfer of the results of research and development and other sources of innovation into production.

Cooperation of production organizations with institutions of basic research and with higher educational establishments is to be intensified, the network of research-production units and scientific-production associations expanded, and the possibilities for research to apply its findings broadened.

The use of licenses as an important source of scientific-technological progress is to be expanded. In purchasing licenses, it is necessary to concentrate on speedy solutions of technology and product innovations, on ensuring designated tasks arising from state programs, and on raising the efficiency of production.

The promotion of inventions and improvements must be oriented more consistenly than has been the case thus far on the tasks of the plan for scientific and technological development and on the needs of export. Conditions must be established for a speedy utilization of inventions, improvement proposals, and industrial prototypes.

A uniform system of scientific and technological information is to be established. The function of scientific, technical, and economic information must be intensified and international comparisons of the quality of our products and of technical-economic standards of production must be improved.

In accordance with the needs of domestic and foreign markets, we must expand and, even more importantly, make more rigid the evaluations of the quality of products by state testing laboratories, using as a basis exacting criteria based on international comparisons.

Applied economic research must concentrate on elaborating a comprehensive concept of transition toward the intensive type of development and its implementations for the development of production forces, and on perfecting socialist production relations and the system of planned national economic management. This research must result in mutually interlinked target projects.

By means of target projects of basic research, scientific institutes of the Czechoslovak Academy of Sciences, and higher educational establishments, as well as other scientific workplaces, must be oriented toward creating a headstart in the development of important directions of science and technology. Cooperation between science and practice must be intensively promoted, especially through direct participation by the workplaces of basic research in the fulfillment of state target and state scientific-technological programs.

In individual scientific disciplines, research is to be directed in the following ways:

In mathematics, it is necessary above all to establish scientific foundations for modelling complicated systems, creating more advanced computer software, and solving the more general problems of software engineering.

Research in physics must concentrate on designated problems in nuclear physics, solid-state physics, plasma physics, optics, biophysics, and on problems that will meet the future needs of nuclear engineering, electronics, electrical engineering, biotechnology, and other areas.

Earth and space sciences must concentrate primarily on solving problems connected with the extraction and utilization of minerals and on the refinement of selected types of fuels. Furthermore, they must concentrate on deepening knowledge that is essential for protecting and making rational use of water and land resources and on clarifying the dynamism of landscape systems.

The technical sciences are to expand basic knowledge in the area of materials (metals as well as composite construction materials), mechanics of all phases, heavy-current electrical engineering, electronics, cybernetics, and scientific apparatuses for the needs of scientific-technological development in the metallurgical, engineering, electrotechnical, and building industries and for the solution of designated problems concerning the development of transportation and communications. Special attention

must be paid to ensuring the development of advanced-generation computer systems, artificial intelligence robotics, and electro-optics.

The chemical sciences must clarify relationships between the structure and properties of substances and thereby establish the scientific groundwork for rationalizing the preparation and application of new materials in the production branches. Special attention must be paid to achieving energy conservation, utilizing the domestic raw material base, expanding the range and improving the quality of produced substances and materials, and, last but not least, to protecting the environment.

Cell and molecular biology must develop future-oriented directions of controlled gene manipulation, and study the use of living organisms for the purposes of production, processing, and service as well as for clarifying the essence of living organisms in states of health and illness. Special attention is to be devoted to cultivating selected production microorganisms and to clarifying the essence of, and possibilities for overcoming, socially grave diseases.

Biological and ecological sciences must be made to concentrate on getting to know the law and functions of the biosphere, with the aim of contributing to the preservation and further development of natural wealth, to the protection and efficient use of the genetic stock of the flora and fauna, to the rational use of renewable biotic sources of raw materials and energy, to increasing the productivity of ecosystems, to limiting the negative influence of harmful factors, and to the ecological optimization of the use of landscape.

Agricultural sciences must be made to concentrate on expanding the theoretical foundations for the development of the agricultural-food industry complex and raising its efficiency. In particular, they must intensify scientific approaches in plant genetics and physiology, in the theory dealing with regulating the creation and accumulation of organic matter of agricultural crops in soil systems, in the area of new methods of agricultural technology, in increasing the yields of livestock and improving protection of its health, and in the area of food processing and biochemical technologies.

The medical sciences must continue to clarify basic mechanisms concerning the development of organisms and provide new scientific foundations for the rational prevention and treatment of socially grave diseases.

Social sciences must concentrate on clarifying major problems concerning the construction and development of the socialist society and on the study of the general and specific laws of socialism in the stage of building a developed socialist society in the CSSR, especially on the solution of theoretical issues concerning the development of the economy, which ought to result in an all-encompassing forecast for the economic, social, and scientific-technological development of the CSSR.

III. Development of Industry

Meeting the growing needs of the national economy and the population, as well as efficiency improvements in the Eighth 5-Year Plan, will to a decisive extent be determined by the development of industrial production, which is to increase 15 to 18 percent by 1990.

Primary attention in developing industrial production must be devoted to the structure of production and its effective utilization, especially for more completely satisfying the requirements of the domestic market, expanding cost effective export deliveries, and modernizing the production base while at the same time substantially raising the quality and technological standards of products.

Labor productivity in industry is to increase 14 to 17 percent and its growth is to account for 92 to 95 percent of the increment in production. This target is to be achieved by means of improved production management; an accelerated practical application of the results of science and research; improved use of production capacities; modernization, automation, and computerization of production facilities and technological processes; and more intensive international cooperation. To intensify the production process and achieve greater cost effectiveness, it is necessary to raise the standards of management at the enterprise and sub-enterprise level.

In the structure of industrial production, the role of manufacturing branches is to be enhanced, especially types of production requiring a high level of employees' qualification and based on the application of the latest results of scientific and technological development. It is necessary to ensure an efficient use of the domestic raw material base and to reduce energy- and raw material-intensiveness.

The most important targets concerning the development of and structural changes in production, including the decisive tasks in conserving and rationalizing the consumption of fuels, energy, and metals, are to be ensured by implementing state target programs.

The growth of industrial production in individual branches must be focused in the following directions:

1. The Engineering-Metallurgical Complex

Engineering and Electrical Engineering

The development of engineering production as the bearer of scientific-technological progress in all branches of the national economy and the main export branch must be oriented toward the creation of essential conditions for a substantial rise in the technological level of production. It must be based on implementing the latest results of research and development, accelerated introduction of new production technologies and new products, and reduced production costs.

The production of engineering and electrotechnical engineering is to rise a total of 30 percent.

The implementation of the state target and state scientific-technological programs must be ensured. Priority is to be given to the development of production of assembly modules and components of high quality and reliability.

Prerequisites must be created for a deeper integration of Czechoslovak engineering and electrotechnical industry in the international socialist division of labor. Acting in close cooperation with foreign trade organizations, they must ensure the exacting export tasks and improve the efficiency of exports, especially by raising the per-kilogram price of exported products and reducing the costs of generating foreign exchange resources. The share of machinery and equipment in exports and imports must be increased, especially through specialization and production sharing.

These two branches must ensure a high technological standard of machinery and equipment for capital investment and exports, as well as for meeting the needs of the population for consumer durables and electrotechnical merchandise. Priority must be given to ensuring equipment for projects under construction that were started in the Seventh 5-Year Plan and to the indispensible needs of modernizing and further developing the decisive branches of the national economy.

Engineering and electrotechnical production is to be increased, above all, by retooling, modernizing, and improving the use of the existing production base and by developing production sharing and specialization, especially with the socialist states.

A more rapid rise in shift intensity should be achieved, particularly by making maximum use of top-performance and expensive machinery and production equipment. The elimination of obsolete production technology must be accelerated. Rationalization workshops ought to be set up and the development of the production of single-purpose machinery ensured.

Heavy engineering is to increase its production 21 to 22 percent with the aim of ensuring deliveries of modern progressive technology, including high-performance semiconductor and heavy-current electrical engineering technology, for the development of individual branches of the national economy and reducing the consumption of fuel-power resources and metals. Design and assembly capacities must be reinforced.

In keeping with the program of building nuclear power plants in the CSSR and the adopted obligations vis-a-vis CEMA countries, we must ensure deliveries of installations for nuclear power plants of the VVER 440 and VVER 1,000 types. It is necessary to raise the quality and technical parameters and ensure the essential scale of deliveries of complete technological units for coal extraction and hydro-electrical, chemical, and food processing installations; of sewage water treatment plants; electrical locomotives; streetcars and trolleybuses; equipment for small-volume chemistry; and equipment for irrigation in agriculture. The modernization of capacities for the production of boiler room equipment, centralized heat supply equipment, equipment for improving the purity of air and water, and the like, must be accelerated.

The share of electronics and automation in the produced range of machinery and equipment for complete investment units must be raised. Their functional reliability and operational efficiency must also be improved. New, progressive technologies are to be introduced on a broader scale -- especially in forming, the automation of production processes in welding, rolling, and forging and the development of engineering and powder metallurgy.

A dynamic development is to be ensured in the production of converter elements [menicove prvky], pumps, fixtures, pneumatic equipment [vzduchotechnicke zarizeni], piping, and spare parts.

Obligations arising from long-term trade agreements with socialist countries must be safeguarded, and exports to nonsocialist countries increased, especially exports of complete investment units.

General engineering is to increase production 25 percent. It must concentrate on a more distinct solution of export needs while at the same time achieving better cost effectiveness; on ensuring deliveries of progressive technology for capital investment projects; and on increasing the production of consumer goods while carrying out a major innovation of products. The structure of production must be adjusted more rapidly to the requirements of the market.

Foundations must be laid for necessary structural changes in production and designated branches. The production of trucks, machine tools and forming machines, textile machinery, machinery for the light and food processing industry, and agricultural machinery must be promoted. Special attention must be devoted to the development and production of new generations of machinery and equipment that will permit a reduction in the energy requirements of production processes.

The implementation of important innovative programs must be ensured, such as the production start-up of a new type of passenger car, the S-781; the production of a medium-size truck; the introduction of new types of agricultural and building machinery; a broader application of automated processes in the production of engineering technology; or the introduction of new types of knitting, weaving, tanning, shoemaking, and printing machines. The production of packaging technology must be promoted.

It is necessary to substantially increase the use of electronics in the automated command and control systems of technological processes and in the systems of automated design and modelling; to speed up the development and introduction into production of highly automated numerically controlled machine tools and forming machines for the final assembly of flexible production systems and automated production lines; and speed up the development of automated machinery and equipment for the light and textile industries and of standardized modules for industrial robots and handling machines and robot-equipped technological complexes, along with the development of designated engineering technologies.

In the electrotechnical industry, production is to increase 60 to 65 percent, thereby establishing conditions for the introduction of electronics into the national economy. The utilization of the sector's existing capacities is to improve, especially through their modernization and retooling. Assembly capacities for capital investment are to be reinforced.

By making broad use of electronics, conditions are to be created for raising the technological standards and export capability of engineering and other products.

The development of the component basis must be ensured. This applies, in particular, to microelectronics and electro-optical components and to the development of new circuits for micro-analog and digital technology, including single-chip microcomputers and passive and structural components adjusted for flat bonding [v uprave pro plosnou montaz]. To this end, we must ensure the necessary development of semiconductor materials, including through international exchange.

Priority must be given to the development of automation, regulation, and gauging technology for controlling technological processes, robot-equipped workplaces and automated control systems, and design. Computer technology, medical technology, gauging and laboratory technology, the computerization of telephone exchanges, and data transmission by means of optical communications systems must also be further developed.

In promoting the aforementioned branches, consistent use must be made of expedient specialization and production sharing, thereby creating prerequisites for producing in larger lots, further reducing the prices of electronics components and finished products, and improving the reliability and quality of the products turned out by the electrotechnical industry.

The implementation of the state target programs must be consistently ensured, especially the program for developing the material-technical base of electronics and the program for the promotion of the application of electronics in designated sectors of the national economy. Supply of consumer electronics, especially audio-visual electronics, to the market is to be markedly improved through international cooperation.

Metallurgy

The further development of metallurgy must be aimed at intensifying production that ensures a reduction in the fuel-power requirements and in the consumption of metals, and on improving the quality, structure, and assortment of metallurgical production by improving the utilization of existing capacities and modernizing the production base. All this must be accompanied by a gradually declining production of pig iron and steel. The supply of metallurgical products must be expanded through the introduction of new, innovative types of products, the utility value and extended service life of which will permit a reduction in metal consumption by their users. At the same time, it is necessary to streamline the activity of metallurgical marketing outlets. The production of the following metallurgical products must be expanded -- economic and thin-walled sections, especially thin sheets for packaging materials;

stainless, metal-plated, and alloy types of steel; and minus-tolerance rolled materials. The share of scrap metal in blast-furnace charges must be increased and the organization of its collection and treatment fundamentally improved.

It is necessary to purposefully modernize the production base by introducing advanced metallurgy technologies, particularly continuous steel casting, nonfurnace [mimopecni] refining, microalloys [mikrolegura], and so forth; close down obsolete rolling mills and energy-intensive open-hearth furnaces.

It is necessary, by improving the quality and the structure of rolled material, especially from high-grade steel, to create prerequisites for its better valorization [zhodnocovani], and expand the exchange of selected important types of metallurgical products with the CEMA states.

It is necessary to speedily produce and introduce alloys suitable for metal coating, and to further develop powder metallurgy.

In the development of the production base for nonferrous metallurgy, it is necessary to take into account the development of types of production with a qualitatively higher standard, mainly for the needs of the electrotechnical industry.

2. The Fuel-Energy Complex

In accordance with the long-range plan for gradually moving to an energy-efficient type of national economic development, it is necessary to consistently fulfill the adopted plan for rationalizing the consumption and use of fuels and energy. As the main direction of structural changes in this sphere, it is necessary to further develop nuclear power engineering and centralized heat supply and, at the same time, create conditions for increased imports of natural gas. Furthermore, it is necessary to markedly reduce the consumption of heating oils. In view of the great extent to which the natural coal deposits are exhausted, and in view of the unfavorable influence on the environment from burning it, it is necessary to reduce its extraction.

The federal Ministry of Fuels and Power must see to it that the acquisition of all sources of fuels and energy and their thrifty use is achieved with the lowest possible investment and operational costs, and with optimal labor productivity as well as the smallest possible environmental consequences.

In the coal industry in 1990, it will be necessary to extract some 94 million metric tons of brown coal and lignite, and some 25 million metric tons of bituminous coal by means of efficient methods and better utilization of high-performance machinery.

In the extraction of bituminous coal, it is necessary to strive for better use of geological deposits, above all from low-ceiling seams, and to this end orient the development and the deployment of advanced technology in extraction; from the overall extraction of bituminous coal, achieve a maximal share of coal suitable for coking, and reduce losses during its transportation. The capacities necessary for the production of coke must be ensured with minimum investments and the most suitable coke production technology.

In the extraction of brown coal and lignite, it is necessary to finalize the concept of the deployment of new technological units including conveyor belts, ensure their reliability, and markedly increase their performance; to develop the processing of extracted coal; to ensure graded types of coal for the population by producing such types, as well as by reconstructing boilers in production enterprises to burn lower-grade coal.

It is necessary to ensure the improvement of the environment by reducing consumption of brown coal, by putting into operation desulfurization equipment in the 200 mw bloc of the power plant in Tusimice, and by gradually introducing the advanced technology of fluid [fluidni] burning.

It is necessary to ensure a vital increment in the resources of natural gas through our participation in the integrative actions on the territory of the Soviet Union; to continue the geological surveys of the deposits of crude oil and natural gas in Moravia and in Slovakia; to increase domestic extraction of natural gas by more than 50 percent; to expand, in accordance with interstate agreements, the capacity of the transit system for Soviet natural gas through our territory.

It is necessary to make effective use of natural gas, -- of which the resources for domestic consumption will increase by more than 45 percent and will reach 15.4 billion cubic meters by the end of the 5-year plan -- especially as a substitute for heating oil and lighting gas, for heating in areas with the most polluted atmosphere, in places where the development of a centralized heat supply is not ensured, and in selected technological processes. In order to reinforce the stability of the natural gas supply in winter, it is necessary to increase the capacity of underground storage reservoirs. In accordance with the growth of natural gas resources, it is necessary to create prerequisites for smooth supply in its transport and distribution network and comprehensively ensure the construction, modernization, and reconstruction of the gas works' distribution network.

In 1990, the electrical power engineering sector is to generate 87-90 billion kwh of electricity, of which 25 billion kwh will be from nuclear power plants, while reducing production in thermal power plants.

In the development of nuclear engineering, it is necessary to continue to reply on cooperation with the USSR; to put into operation the remaining units in the Dukovany nuclear power plant, and 2 units in the Mochovce nuclear power plant; to continue the construction of the Temelin nuclear power plant with 1,000 mw units, and begin the investor's preparation for the construction of another nuclear power plant.

It is necessary to perfect planning, the preparation of investors and suppliers, and the realization of the construction of nuclear power plants; to improve the economic aspect of these projects; to rationalize the operation of nuclear power plants, make their operation reliable, and continue making the most of their operation.

It is necessary to increase reliability and rationalize the operation of thermal power plants and heating plants; to ensure reconstruction works resolving the switchover to the burning of lower-grade fuels, and reduction of the specific consumption of fuels, the reconstruction of selected power plants for the combined generation of electricity and heat, the reliability of equipment, and the protection of air quality. It is necessary to continue cooperation with the Hungarian People's Republic in the construction of the Gabcikovo and Nagymaros hydroprojects on the Danube, and put the first series [soustroji] into operation in 1990; to continue building small hydroelectric power plants.

It is necessary to ensure the construction and reconstruction of the electricity distribution network, and develop cooperation between the Czechoslovak electricity system and the systems of the CEMA states.

It is necessary to develop a centralized heat supply on the basis of approved territorial plans, based, above all, on the combined generation of electricity and heat on the basis of brown coal and using nuclear resources. In implementing these measures, it is necessary to pursue savings of natural gas, heating oils, and of quality coal, particularly graded coal, and apply the principle of pooling investments by all participating heat consumers.

3. The Chemical and Pharmaceutical Industries

It is necessary to orient the chemical industry toward a higher valorization and full use of the input of raw materials and energy; to develop, in particular, types of production which use the results of scientific research and highly qualified work; to reduce dependence on imports from the capitalist countries and deepen the division of labor with the socialist states; to increase production of the chemical industry by 13 percent by 1990.

It is necessary to ensure more intensive processing of crude oil and increase the proportion of it used in petrochemicals; to concentrate attention on a timely start-up of the cracking units in Litvinov and Bratislava; to innovate the range and improve the quality of tires, fibres, plastic materials, and fertilizers; to develop the production of chemical and pharmaceutical specialities, and introduce zero-waste and little-waste technologies.

It is necessary to orient the development of sophisticated chemistry -- in particular toward ingredients for polymers and lubricants, pesticides, organic dyes, pure chemicals, and other materials for electronics, and pharmaceutical substances -- with the aim of markedly strengthening the export ability in these branches; to significantly increase the deliveries and the quality of pesticides for agriculture.

It is necessary to create conditions for the development of retreading tires in local economy enterprises.

It is necessary to create prerequisites for a dynamic development of the pharmaceutical industry and to increase its production by at least 40 percent by making use, in particular, of new universal units that also include the production of semi-finished products; to carry out research into and effective production of new types of antibiotics, antitumor medicines, amino acids, enzymes, and vitamins; to develop the application of biotechnologies; to bring the production structure of medicines into harmony with the needs of the health sector and exports, making use of the international division of labor.

It is necessary to adapt the structure, organization, and equipment of the research base to the development of these sectors, and concentrate it on selected tasks; to derive the goal-oriented technological-economic parameters of research tasks from the requirements of the most demanding world markets.

4. The Timber-Processing Industry

It is necessary to orient the timber-processing industry toward maximally effective valorization of wood mass and its comprehensive utilization, including the use of lower-grade types of raw timber and wastes generated during processing.

It is necessary to increase production by almost 13 percent by fully utilizing newly built capacities, by modernizing and reconstructing selected plants and workshops and, in particular, implementing effective measures aimed at achieving the projected parameters of cellulose production in Paskov and Ruzomberok; to ensure an increase in production and quality of newsprint and of advanced packaging materials.

It is necessary to ensure a gradual growth of the industrial recycling of old paper and, by preparing and realizing modernization work, create conditions for the recycling of all old paper in the CSSR in the course of the Ninth 5-Year Plan.

It is necessary to systematically increase the degree of usefulness and the quality of products made of wood, especially furniture; to raise the export output, cover the needs of the domestic market with products that are in demand, and gradually substitute the exports of raw timber by exports of products with a higher labor input.

5. The Light Industry

It is necessary to orient the development of light industry toward raising, above all, the quality and fashionability of products, expanding the production of goods of exceptional quality, and toward systematic innovation of the range of consumer goods for the domestic market as well as for export; to increase production in light industry by at least 12 percent with differentiated development in the individual sectors.

While increasing imports of standard consumer goods for the domestic market, it is also necessary to gradually change the structure of their domestic production; to modernize the production base, especially in the knitwear, garment, and leather-processing industries, and make use of modern technologies.

In the glass industry, it is necessary to concentrate attention on a timely start-up of new capacities for the production of float [plavene] glass in Retenice and glass fibres in Trnava, and prepare a program for expanding production of fabrics made of glass silk for the electrotechnical industry; to expand the range of lightened returnable containers for the foodstuff industry in the interest of the more efficient use of melting capacities; to modernize selected enterprises manufacturing china, utility glass, and costume jewelry.

6. The Construction Materials' Industry

It is necessary -- by developing further the production of construction materials -- to ensure the needs of the national economy with regard to the required volume, structure, and improved quality of products.

It is necessary to expand the range of construction materials for the modernization and reconstruction of buildings that, in particular, have a higher heat-insulating effect, and high utility and aesthetic properties; to increase production of mineral fibres and ensure their rational utilization; to promptly adapt the production of construction materials to the demands of consumers and, at the same time, expand the color range of roofing and facade materials, and the range of ceramic tiles and wall tiles.

It is necessary to increase and make more efficient the production of crushed limestone and other minerals, and ensure the needs of the agricultural and forestry sectors; to pay attention to the development of the extraction and processing of ceramic minerals, and gradually reduce exports of them by substituting finished products.

It is necessary to systematically reduce the energy-intensiveness of construction materials production. In firing cement clinker, it is necessary to replace to a greater extent the high-grade fuels by non-traditional and lower-grade fuels and waste materials having a nonpolluting effect on the atmosphere; to optimize the transportation of construction materials from the manufacturer to the user.

It is necessary for trade and marketing organizations to supply the domestic market smoothly and promptly with a range of construction materials that are in demand.

It is necessary to orient the construction material industry's capital investment primarily toward the modernization and reconstruction of existing long-term assets, giving priority to actions that ensure savings of fuels, the implementation of technological progress, and the protection of the environment.

IV. The Development of the Agroindustrial Complex

The fundamental task of the agroindustrial complex is to ensure and improve the nutrition of the people and, at the same time, to increase the extent of self-sufficiency in the production of food. This requires the more consistent assertion of all-around intensification, effectiveness, and an improvement in the quality of the replacement process, the growth of the social productivity of labor, a creative attitude on the part of the working people, and the reduction of losses and production costs. It is necessary to pay exceptional attention to the protection of the environment, and increase the participation of supply branches in raising the technological-economical standard of the agricultural-food complex.

It is necessary to increase gross agricultural production in the Eighth 5-Year Plan by 6-7 percent compared with the Seventh 5-Year Plan, to give priority to the growth of plant production before animal production in the interest of strengthening the stability of agricultural production; to increase plant production by 8-9 percent, and animal production by 5-6 percent. In the food industry it is necessary to ensure by 1990 the growth of production and deliveries to the domestic market by 9-10 percent; to support activities of small breeders of farm animals.

It is necessary to ensure the efficiency of the food production sector through comprehensive use of science and technology, perfecting the quality of production means, and their technical and technological standard and reliability; to deepen comprehensive mechanization and automation of production, and more widely implement computerization; to make use of progressive trends in genetics, biotechnologies, and biochemicalization of production. To this end, it is necessary to consistently implement the unified plan for the development of science and technology in the agroindustrial complex, and make use of new cooperation possibilities with the CEMA countries and of the findings of world science and technology.

Increasing the performance and effectiveness of the agroindustrial complex requires the consistent implementation of measures contained in the system of planned management of the agroindustrial complex, and the systematic raising of the effectiveness of management and organizational work.

In plant production it is necessary to regard the production of cereals as a key task; ensure the higher stability of harvests, and achieve production of 57-58 million metric tons; to ensure the growth of production through increasing per-hectare yields and reducing losses. In addition to intensifying the production of grains, it is necessary to improve their quality and use them more economically; to increase production of bulk feed by 6.5 percent compared with the past 5-year plan, and ensure its desired structure, high quality, and effective use. In order to contain the annual fluctuations in the harvest of feed, it is necessary to create the required stocks as the basic prerequisite for the stability of animal production.

It is necessary to achieve more marked progress in potato and sugar beet growing, especially as regards quality of production; to ensure production of sugar beet in harmony with the needs of the national economy; to resolve problems connected with growing potatoes for human consumption, improving their quality, and reduce losses arising from storage; and to increase the production and expand the range of semi-finished and finished products made from potatoes. It is necessary to reinforce self-sufficiency in vegetable fats and protein feed by increasing the production of oil-yielding crops. In accordance with the demands of healthy nutrition, it is necessary to increase more rapidly the production of vegetables and fruit, and more flexibly resolve issues connected with their harvesting, processing, and distribution.

It is necessary to more consistently implement measures aimed at the protection of the soil. To increase the fertility of soils, it is necessary to realize a complex of irrigation works, and make progress in the modification of the water regimen and

in carrying out anti-erosion measures. It is necessary to improve the nutrition of plants by fully utilizing organic fertilizers and limestone and by employing scientific methods. At the same time, it is necessary to limit the influence of harmful substances by rationally using pesticides and herbicides while gradually implementing integrated protection; to ensure effective supervision when using industrial fertilizers, pesticides, and herbicides in the interest of improving the quality of plant production and improving the environment.

It is necessary to develop animal production in harmony with national requirements and the existing resources of feed; to increase the effectiveness of animal production through the valorization of feed, optimization of the number of farm animals, their utility value, and their slaughter weight.

In the food industry it is necessary to raise the standard of the processing of agricultural production; to react more flexibly, in cooperation with trade organizations, to changes in consumers' demand in order to further improve the domestic market; to combine the expansion of the range of products and their innovation with improving the products' utility value and quality, and extending their storage life. It is necessary to increase production and expand the range of products for infants, children, and diabetics; to satisfy the increasing demands of consumers for the standard of food packaging by means of higher deliveries of packaging materials and packaging technology; to purposefully develop an expedient division of labor, and deepen cooperation and integration relations with agricultural enterprises, while ensuring quality raw materials and their processing.

By an expedient orientation of investments it is necessary to qualitatively develop the material-technological base of agriculture and the food industry; to increase the effectiveness of capital assets and the share of reconstructions and modernizations of the production base; to more determinedly raise the technical and technological standard of the food industry; to resolve the existing disproportions in the production, storage, and processing of agricultural produce. To preferentially modernize the built storage facilities -- including cereals storage facilities, freezing plants, and capacities making it possible to raise the standard of valorization processes. Special agricultural investment is to be oriented, above all, toward reducing losses and improving the environment.

It is necessary to ensure the further improvement of technological parameters and qualitative indexes of the production means being delivered to the agricultural sector.

It is necessary to raise the quality and expand the range of products for the nutrition and protection of plants, including increasing the share of liquid fertilizers and pesticides from our own production; to increase the deliveries of phosphorous fertilizers by 5 percent and of chemicals for the protection of plants by at least 11 percent; in the interest of raising the effectiveness of the plant nutrition and environmental protection to ensure substantially higher deliveries of limestone fertilizers; in the course of the Eighth 5-Year Plan to deliver to the agricultural-food complex 42,000-43,000 tractors, at least 8,500 grain harvesting combines, and more agricultural, food, and handling machinery; to increase the production and deliveries of machinery and equipment for the food industry.

V. Forest and Water Economy

In the forest economy it is necessary to ensure conditions for maintaining the forests' production and other functions.

In the forestry it is necessary to orient the main attention to intensifying cultivation and improving the care for stands of trees up to 50 years old; to reinforce prevention, protection, and care for forest hygiene; to eliminate damage caused by

emissions, forest pests, and other influences of civilization, and in time reforest areas where logging has been carried out. In the Eighth 5-Year Plan it is necessary to reduce the extraction of timber mass by 5 percent and extract 90 million cubic meters of timber.

It is necessary to create conditions for a better use and valorization of all timber, and to radically improve the handling of wood in the entire national economy.

In the water economy, it is necessary to ensure for the population and all sectors the required amount of water with the required quality; to expand and protect water resources; to protect water against pollution by building vital water treatment plants, enhancing the effectiveness of economic instruments, by supervision, and by consistently forestalling breakdowns; to intensify the use of and increase care for the basic assets of the water economy and reduce wastage in distribution networks and household installations; to increase the volume of resources and one's own capacities for modernization, maintenance, and repairs; to create prerequisites for the development of irrigation facilities, hydroenergy, and improving flood protection; to consistently ensure that water is handled thriftily throughout the whole national economy; to increase the share of the population supplied with water from public water mains to 80.5 percent, and the share of persons living in homes connected to public sewerage system to 68 percent of the population.

VI. Construction Production

With the construction production of supplier organizations growing by almost 10 percent, it is necessary to increase its performance and thus ensure domestic capital construction as well as the tasks in the export of construction work, especially for the integration actions in the USSR in the interest of increasing the imports of natural gas and ensuring deliveries of iron ore. It is necessary to adapt construction capacities to the set priorities concerning the orientation of capital construction, and, in particular, ensure the needs of modernization and reconstruction.

It is necessary to concentrate the efforts of the construction sector and of all participants in construction on reducing the number of unfinished projects, shortening construction deadlines, and finishing projects; to consistently adapt the structure of the capacities of construction production to the needs connected with the completion of projects. It is necessary to ensure the completion of the necessary construction capacities in areas with concentrated capital construction.

It is necessary to strengthen capacities for ensuring repairs and maintenance of long term assets, especially of the housing stock and construction work for the population; to this end make use of construction capacities also from other branches of the national economy; to equip construction organizations with small machinery in order to accelerate the final stages of construction.

More care must be given to the quality of construction work, raising technological discipline, and personal responsibility for work done.

It is necessary to make more intensive use of the results of scientific-technological development, raise the effectiveness of technical policy in construction and continue industrializing it; raise the technological-economic parameters of construction and reduce the energy-intensiveness during the construction, as well as during operation of the completed projects.

It is necessary to reduce the specific consumption of construction materials, make better use of our own raw material base, and consistently implement the programs of savings in the consumption of cement by 1.5 percent, of metals by 3 percent annually, and of wood.

An increase in the volume of construction work must be ensured by an at least 85 percent growth of labor productivity. Stable levels of manpower with the necessary professional qualifications must be ensured. It is necessary to increase the use of construction machinery and transportation means, and consistently use work time.

It is necessary to deepen cooperation in construction, expand and improve services in the sphere of the material-technological supply of projects, in transportation, in the maintenance of machinery and in lending it, in social services, and other activities.

It is necessary to more effectively coordinate the development and needs of the construction sector with the development of the other cooperating branches; to adapt the range and quality of these branches' deliveries to the needs of the construction sector's development while respecting the decisive directions of its technological policy and changes in the works' structure.

VII. Transportation and Communications

The most important task of the transportation system is to raise quality, reliability, safety, and economy when satisfying the transportation requirements of the national economy and the population.

It is necessary to preferentially develop electrification of railroad transportation and mass city transit while at the same time reducing the consumption of motor fuels and electric energy per performance unit in all sectors of transportation, above all in enterprises' own transportation; to respect the ever more important ecological aspects; in harmony with transportation policy, to strengthen railroad and water freight transportation rather than road transportation.

The quality of passenger transportation must be enhanced, as must the overall standard of services provided, especially in the areas of punctuality, reliability, and comfort of travel.

It is necessary to improve efficiency in the transportation sector through the use of modernized means of transportation, improving repair services, discipline, and order; and to rationalize roads carrying traffic.

It is necessary to develop advanced transportation systems more rapidly, particularly container transportation, systems of stations having concentrated loading and unloading and the CSAD [Czechoslovak Automobile Transportation] pickup service, and increase the volume of container transportation by about 80 percent. Moreover, the required quantity of transportation means and its mechanization in the required quality is to be ensured, as is the development of important transloading facilities.

Scientific-technological development must be oriented toward automating technological processes, introducing innovations with respect to traffic-carrying roads, means of transportation and handling, and modernizing them.

It is necessary to create conditions for ensuring the growth of international traffic. In international transportation, foreign trade needs must be satisfied in the most effective way, particularly contacts with the CEMA countries; priority in this must be given to railroad transportation and the utilization of Czechoslovak transportation capacities.

In railroad transportation it is necessary to enhance the quality of freight and, especially, passenger transportation; to introduce automated seat reservations and automated devices in passenger transportation; to shorten the duration of the circulation of freight cars and increase the productivity of locomotives; through modernizing and improving maintenance and repairs to maintain railroad facilities, buildings, and

vehicles in better technical condition; to reduce the number of freight cars damaged in operation or during loading or unloading.

In the reconstruction of railroad lines and stations it is necessary to concentrate on gradually eliminating bottlenecks in vital sections of the railroad network; to put 370 km of electrified railroad lines into operation and equip 170 km of lines with automated safety equipment; to continue to reconstruct vital railroad junctions and enhance the performance of the secondary [odklonovy] southern line.

In automobile transportation, it is necessary to ensure the best possible division of transportation tasks between the public and the enterprise transportation sectors, and increase further the role of public transport; raise the load factor of vehicles; make public transport gradually assume the function of providing comprehensive services for organizations; introduce a regular freight-carrying service; increase the volume of freight carried in truck trailers; gradually concentrate enterprises' transportation divisions into larger entities and rationalize their operation; modernize the operational-technical base of automobile transportation; begin with the reconstruction of the central bus terminal in Prague.

Water transportation is to account for at least 6.5 percent of total freight-carrying, priority being given to the development of international transportation tasks. To that end the necessary renewal and development of the pool of vessels, transloading technology, and harbors must be ensured. The coordination of the water transportation's work with the transportation sectors linked with it must be improved and the work to make waterways navigable must be continued.

In the sphere of air transportation it is necessary to give priority to the development of international air transportation; to ensure the necessary development of aviation work for agriculture and the forest economy; to continue the construction of international airports in Prague and Bratislava, Basic [zakladni] airports for aviation work; modernizing and renewing the aircraft pool, and ensuring aviation technology.

In the case of city mass transit it is necessary to fully ensure the population's transportation needs, while systematically raising quality and giving priority the development of electrified systems.

It is necessary to concentrate the construction of road facilities above all on vital priorities of selected road networks, continue the construction of freeways in the most frequented places, and on the elimination of spots causing traffic congestion.

In communications it is necessary to continue developing and improving communications services for socialist organizations and the population. To that end the technological base of communications networks must be modernized, reconstructed, and developed. Conditions must be prepared for introducing new services, including the transmission of data and text information for management needs.

The installation of telephones in housing developments is to be speeded up and 531,000 new telephone connections are to be made, including 255,000 household connections. The automation of the local public telephone network is to be completed. The automating of intercity telephone services will continue so that 85 percent of telephone exchanges will be automated by 1990. In accordance with this and the needs arising from the measures of the CEMA countries for international integration, relay networks will continue to be expanded.

It is necessary to continue the construction and modernization of additional television and radio transmitters, so that the signal of the second television channel reaches the three-quarters of our territory. In cooperation with the USSR, the realization of direct satellite television signals is to be prepared.

Technological processes, especially operations that involve a great amount of mail and printed matter, are to be mechanized and automated. The network of mail and mail newspaper services in new housing developments is to be expanded. The system of postal payments will continue to be rationalized.

VIII. The Development of Economic Relations With Foreign Countries and Socialist Economic Integration

The development of external economic relations, their dynamism, effectiveness, and quality is to be regarded as an important factor of the intensification of the national economy. The results of foreign trade are to be improved, above all by a higher valorization of national work and an effective export-import structure.

Engineering and sectors based on the domestic raw materials base are to have a greater share in the international division of labor.

It is necessary to react flexibly and in good time to developments on world markets; improve commercial work in foreign trade; improve advertising and procedures when submitting bids; improve technical services; raise the quality of products for export; and tighten up quality control. It is necessary to ensure smooth supplies of spare parts and systematically see to it that Czechoslovak products have good reputation. Foreign currency yields from services must be increased, particularly from services to foreign tourists, from spas, and nonmaterial exports.

Resources for imports must be used rationally. The share of imported machinery, equipment, and technology of world standard must be increased.

The all-around economic and scientific-technological cooperation with the CEMA countries, above all with the USSR, must be constantly deepened, on the basis of consistent realization of the conclusions of the economic summit.

In accordance with the bilateral and multilateral documents on economic and scientific-technical cooperation up to the year 2000, and with the coordinations of plans concluded with the socialist countries, with the Soviet Union in particular, we must ensure in the years 1986-90 an increase by a minimum of 22 percent in foreign trade turnover with the socialist states and establish prerequisites for its further growth after 1990. Exchange within branches and sectors must be especially promoted. Special attention must be devoted to the projects of integration, which safeguard deliveries of fuels, energy, and raw materials and enhance the community's economic invulnerability.

With regard to nonsocialist countries, we must develop mutually advantageous exchange in the spirit of the principles of peaceful policy and cooperation and ensure that the turnover of the mutual exchange of goods exceeds the level of the preceding 5-year period. The share of efficient products in the export structure, especially the share of machinery and equipment, must be strengthened.

With regard to advanced capitalist states, we must ensure the development of mutually advantageous trade and cooperation, especially on the basis of deliveries of engineering products. Greater use must be made of cooperation in third markets.

Economic cooperation with developing countries, ensuring bilaterally greater effect from mutual cooperation, must be further intensified. We must also deepen participation in the industrialization of these countries, which will simultaneously establish realistic possibilities for covering the Czechoslovak economy's import needs, especially for consumer goods and raw and other materials.

IX. Capital Investment

Capital investment must help to more resolutely ensure the intensification of the production process and, in particular, raise its efficiency. The total volume of capital investment in the years 1986-90 is to be roughly 10 to 12 percent higher than in the period of the Seventh 5-Year Plan, while the structure of investments is to change markedly in favor of investments in machinery and deliveries of technology.

In the structure and orientation of investment policy, we must proceed from the long-term targets of the economic and social development up to the year 2000. In selecting and deciding on investment plans in the production branches, we must proceed, above all, from their contribution to accelerating the process of national economic intensification. Above all, by applying the results of research and development we must ensure the highest possible technical and economic standards of the solution of investments, standards that are on a par with the top world level.

The share of investments aimed at efficient modernization and retooling of the production base must be raised. The timely production start-up of capacities and the attainment of projected parameters must be ensured. The concepts for the development of enterprises and economic production units must ensure production increments, above all, on existing premises and by making use of other noninvestment factors, especially increasing shift intensity. Production must be concentrated in the most advanced plants and fixed assets and production premises must be made free for new production programs by phasing out inefficient types of production. The technological and reproductive structure of investments must be improved and the share of machinery and equipment in investments in the production sphere is to increase to 63 percent. Compared with previous development, we must markedly speed up the renewal of worn-out fixed assets on a higher technological level and the discarding of obsolete machinery fixed assets.

Priority is to be given to efficient investment projects aimed at rationalizing consumption and making better use of fuels, energy, and metals and ensuring the other state target programs, and projects aimed at implementing the results of research and development, raising cost-effective exports, and improving the environment. The economical spending of investment resources is to be ensured and unjustified increases in budgeted costs prevented.

The task in the nonproduction sphere is to achieve highly economical, standardized, and repeatable projects while maintaining high standards of architectural design and quality.

All participants in construction must improve the quality of the preparation and implementation of investment projects. The plan must provide for a consistent reduction in the excessive number of projects simultaneously under construction. Investors' improved preparation, the streamlining of the entire process of capital investment, and improved labor organization at the building sites must contribute to making investment projects more efficient and to cutting construction deadlines. The economic incentives for participants in the building process to cut construction deadlines and budgeted costs must be strengthened.

The main emphasis in the investment process is to be put on the speedy completion of projects and putting capacities into operation. The period between production startup and the attainment of the capacities' projected parameters must be cut short. The capacities of industrial and civilian construction and of the final stages of the building process must be reinforced. The production of technology that is in short supply must be increased. This concerns, in particular, boilers, water treatment plants, equipment for the chemical and food industry, control systems, and pneumatic technology. Assembly capacities must also be reinforced. Greater use must be made of the system of engineering services.

More effective methods of evaluating building and design work must be applied, methods that provide incentives for architectural solutions that are energy-efficient and help to save building work and material. New approaches in planning and design must be introduced, approaches that give preferential treatment to noninvestment factors of the development of production, to technical development and the assimilation of new technologies and products. The exactingness of assessing preparatory, territorial, and blueprint documentation must be enhanced both on the part of planners and state-appointed experts with the aim of raising the technical-economic standards, quality, and efficiency of investments.

In applying efficiency criteria to newly built or modernized capacities, it is necessary to enhance the role of price limits set for the products that are to be produced by them. Comparisons with the parameters of technological standards and prices abroad are to be used to this end. It is necessary to perfect and, above all, observe in practice the principles of scientific work management, especially with the aid of systems analysis, and acquire only completed units that are capable of operation. The accountability of all participants in the building process for the preparation and execution of investments, especially for the fulfillment of contractual obligations, must be enhanced.

X. The Development of Living Standards

The further growth of the population's living standards and the consolidation of people's life guarantees must be consistently pegged to the results achieved in the development of the national economy. The certainty must be strengthened that honest work is the only source not only of creating social values, but also of every employee's standard of living. Increased attention must be paid to the solution of problems concerning the everyday life of our people. As regards the main directions and paths of developing living standards, preference must be given to the implementation of measures that will result in a more pronounced unity between the interest of individual members of society and national interests.

Growth of private consumption must be linked in the closest possible way with work results. The growth of people's income must be based on labor productivity improvements and a greater differentiation in wage policy according to work must be ensured, so that wages correspond to performance. The wage practice must be improved in this direction and the economic effectiveness of the wage system enhanced. An adequate growth in the living standards of people who are unable to take part in the work process is to be ensured; even in the social security system, it is necessary to enhance the principle of merit.

Harmony between prices, wages, and social policy is to be ensured. The system of the state supervision of prices is to be perfected.

The advanced system of health and social care, the educational system, and concern for the development of culture, physical education, and tourism are to be deepened. Social resources in this sphere must be spent more economically and its employees used more rationally. The range of free services is not to be further expanded.

We shall continue to improve the standards of housing and developing the trade network, paid and public services, and enterprise and school catering.

The socialist principles of remuneration are to be enhanced. The volume of wages payable and average wages must be raised consistently in accordance with the creation of material resources ensuring that they are covered. It is necessary to make sure that the growth of labor productivity maintains the necessary edge over the growth of average wages.

TEXT A balanced development of wages in the production and nonproduction spheres must be ensured. Exacting criteria for the creation of resources for remuneration purposes must be set; they must be consistently pegged to the performance and efficiency standards of economic organizations. The improvement of wage systems in nonproduction branches must be connected with demands for comprehensive improvements in performance. Scientific methods of labor organization must be applied more resolutely and working hours used more efficiently. It is necessary to enhance discipline and order at every place of work.

Financial accountability for poor quality production, nonfulfillment of tasks, and shortcomings in performance and discipline is to be enhanced. Egalitarian approaches in remuneration are to be overcome. Unearned income must not be permitted.

The base of technical-economic and labor intput norms must be permanently developed and perfected so that these norms become an objective yardstick in evaluating work results.

The program of enhancing the economic effectiveness of the wage system in branches of the national economy must be put into practice. The wage system must be linked consistently with growth in performance, labor productivity, quality, and efficiency. The brigade method of organizing labor and remuneration is to be promoted as a means of increasing the participation of working people in management and deepening the differentiation of wages. Total remuneration for work must reflect in an improved way long-term performance and work initiative. Pride in the results of good quality work must be cultivated and the relationship of employees to their organization and profession strengthened.

It is necessary to enhance monetary incentives for highly efficient and creative employees, especially outstanding workers, designers, planners, technologists, and organizers of production, who exert an immediate influence on the practical implementation of the results of research and development and on the high quality, efficiency, and innovation of production. Their remuneration must be linked with the demonstrable contribution of their work to final results. Outstanding results must be greatly valued, both financially and morally.

Central supervision of wage policy is to be strengthened and, at the same time, the powers and accountability of the economic sphere for the quality of norms and for the effective orientation of the incentive component of wages toward the decisive qualitative aspects of economic development are to be expanded. The accountability of top managers for organization and management is to be enhanced and their remuneration linked with the demonstrable results achieved by the collectives they supervise. A responsible approach to asserting the merit principle and differentiation in wage policy must be demanded and production, technological, labor, and wage discipline strengthened.

Political-educational work must support the implementation of the targets of wage policy.

With the participation of trade union organizations, enterprises must increase their concern for working conditions, the working environment, and labor safety. The number of risk-prone workplaces and the share of hard and laborious work and of activities carried out in an impaired working environment must be reduced. It is necessary to see to promoting employees' work and social activity and to cementing comradely relations at places of work.

The development of public material consumption and a balanced domestic market in terms of assortment must be regarded as an important condition for enhancing the effectiveness of the working people's material incentives for the results of their

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work. The stability of the domestic market is to be consolidated, especially by improving the assortment of deliveries, increasing the share of top quality, attractive, and stylish merchandise, maintaining standard supplies of basic goods, and eliminating types of products that are in short supply [as published]. The proportion of imported consumer goods is to be increased. Qualitative changes in the structure of consumption are to be ensured, with sales of industrial merchandise -- especially engineering products of the required assortment -- growing at a faster rate than sales of foodstuffs. Demand for products in all price categories is to be met. It is also necessary to see to the protection of consumers' interests.

With respect to industrial merchandise, it is necessary to expand the supply of goods of long-term use and of articles connected with their use, especially goods that help to raise cultural standards, facilitate household chores, and encourage active use of leisure and hobby activities. As regards textiles and footwear, it is necessary to increase the degree of meeting demands for stylishness and a wide selection and for goods of higher aesthetic and utility values guaranteeing easy and quick maintenance. Extraordinary attention is to be devoted to the promptness of supplies of goods for short-term and everyday use, while at the same time expanding their selection.

The attained high level of food consumption is to be ensured and its quality further improved in keeping with the principles of healthy nutrition. Production and sales of foodstuffs meant for direct consumption are to be expanded and the overall selection of food products enriched. Public catering is to be expanded and its quality improved.

Producers of consumer goods must accelerate the innovation of products and respond more flexibly to changes in demand. Trade organizations must improve the quality of surveys of consumers' demand and of commercial work. Better use must be made of the possibilities for local production cooperatives and enterprises to increase their share of deliveries of high quality merchandise and fashion novelties produced in small lots. Supplementary production of consumer goods in industrial enterprises is to continue. The sales and procurement activities of consumer cooperatives in rural areas are to be further improved.

While improving the promptness and regularity of supplies, it is necessary to raise the standards of shopping and establish conditions for facilitating it, including the setting of suitable opening hours and mail-order sales. We must continue to streamline, modernize, and develop the material-technical base of the trade network; improve the education of its employees; raise demands on their work, especially as regards their attitude to customers; and more closely link their remuneration with the results they achieve. Cooperation between production and trade must be improved.

The further development of paid services must be more flexibly adjusted to the population's improving living standards, changes in the way of life, and the higher level of household equipment. For this purpose we must give priority both to developing services that are connected with improving housing standards, and to improving the quality and accessibility of building repairs and other repair and maintenance work. We must expand possibilities for modernizing apartments, as projects carried out by the population. We must improve the quality and promptness of repairs of durable goods. Passenger transportation services must be further improved, increased attention being given to the quality of transportation to work; we must distinctly improve shipping services for goods and materials that are carried out for the population by the organizations of the Czechoslovak Automobile Transport enterprise and of trade and national committees. We must further improve the quality of communications services. We must support the development of new kinds of services that can better satisfy our citizens' growing needs.

In the development of production cooperatives and local economy facilities we must place the main emphasis on developing services for the population. The network of services in new housing developments must be expanded, and services in rural areas improved. We must strengthen the management role played by national committees in developing trade, public catering, and individual forms of paid services, while raising their quality and accessibility.

In recreational services we must react more promptly to the population's needs and we must expand the number of programs offered so as to ensure the efficient utilization of all kinds of accommodation, catering, and other facilities. We must continue to develop the foreign tourism of our citizens, particularly tourism to socialist countries. In services for foreign visitors, we must primarily orient ourselves toward developing organized tourism and expanding and improving services, especially in areas visited by a large number of tourists.

We must continue to improve the broadly developed system of providing social assistance to the elderly, families with children, and working people in times of illness. The general extent and degree of improving social security must be linked to the economic possibilities created and the overall development of the population's real incomes. Measures must be oriented toward helping young families with children, prolonging paid maternity leave, making differentiated adjustments of the amount and duration of maternity allowance, and by raising the grant on the birth of a child. In old-age pensions we must work out possibilities for raising the maximum pension level, and also a system of differentiated adjustments of pensions that have already been calculated, making sure that they do not lag behind the development of wages. Pensions must, to a far greater extent, reflect the merits achieved during the working period. In this way we must constantly strengthen the life security of all citizens.

We must continue to establish material conditions for social support of parenthood, working mothers, and old and handicapped citizens. We must continue to expand the capacities of children's institutions, particularly day care centers in schools and school clubs. The capacities of social care institutes for old and handicapped citizens must be expanded 10-15 percent; at the same time we must eliminate unsubstantiated differences in the equipment of individual territorial complexes, taking into account the urgency of this measure, and develop further the well-proven forms of social care, expanding nursing services [pecovatelske sluzby] in particular by 20-25 percent.

The social education of our citizens must be constantly developed in the endeavor to make them grasp correctly the purpose and tasks of the socialist family and maintain an attentive attitude toward old and handicapped citizens.

We must continue to comprehensively improve housing conditions, and establish the essential land-use, technical-economic, material, and capacity conditions for building 480,000 new apartments. In building apartments we must proceed from the needs in respect of developing the production forces, and particularly the needs in respect of distributing and stabilizing employees. We must increase our support for the development of forms of housing in which the population participates to a greater extent, that is, cooperative construction projects and the building of family homes. The standard of the living space and the equipment of apartments must be such as to enable a further improvement in the utility of apartments. In order to rationally satisfy the changing needs of the population, we must ensure that housing developments are equipped with civic and technical facilities. The national committees' management of overall housing construction as a whole must be improved, so that facilities that are essential for meeting the population's needs for services can be ready for use at the same time that the apartments are completed. We must ensure savings of all kinds of energy, metals, and other energy-intensive materials and products throughout the entire process of preparing, realizing, and operating the comprehensive housing construction projects. Particular attention must be devoted to the protection of our

fund of agricultural land; the land that is to be used for construction purposes must mainly be that which is unsuitable for intensive agricultural use.

We must make more consistent use of the existing housing stock, and limit the undesirable losses of this stock. We must enhance the extent and quality of repairs and maintenance; and markedly raise the capacity of local construction facilities and their share in the repair and modernization of apartments. We must increase the extent of repairs and maintenance of the housing stock administered by socialist organizations by 13-15 percent, at the same time ensuring the necessary structure of these repairs. We must expand the modernization of the housing stock and create a modernization fund for this purpose. In the period of the Eighth 5-Year Plan it will ensure the modernization of at least 30,000 apartments administered by socialist organizations. We must continue to support the modernization work carried out by the population and establish the necessary conditions for this. We must clearly raise the responsibility of national committees for the enterprises of the housing economy, and housing cooperatives for their share of the housing stock.

In the course of the Eighth 5-Year Plan, we must carry out measures for raising the technical and economic standards of housing construction systems and improving the equipment of housing complexes which will be in use in the Ninth 5-Year Plan. We must not tolerate technical solutions that require unjustified expenditures of materials, energy, capital, or increased operating costs. We must raise the architectural standards of new housing developments, thus improving the quality of the whole housing environment.

A broadly developed system of medical care for the population must be oriented in particular toward improving the quality of medical services. The process of examination and treatment must be accelerated and improved, and medical care directly in plants and cooperatives must be further expanded. We must continue to realize all-social medical care programs and devote proper attention to the development of rehabilitation and prosthetics care. We must improve the rational satisfaction of the population's needs for drugs and medical supplies.

In ensuring the tasks of medical care we must apply the results of research and development and improve the supply of technical aids and apparatus. With the aid of new construction projects, improved maintenance, and reconstruction work we must resolve the tasks of further rationalizing and modernizing the network of medical facilities and adjusting its structure to new needs; we must increase the capacity of health institutions for patients with chronic illnesses. During the years of the Eighth 5-Year Plan we must strengthen the services of medical care by creating a further 4,000 places for physicians and by increasing the number of beds by at least 11,000.

We must contribute toward improving the quality of medical services by improving work organization and tightening the integrated management of medical care, and by striving to consolidate the socialist relations between the medical staff and the patients. We must further improve the activities of national committees in ensuring medical care.

In order to ensure the intensification of our economy and the more rapid implementation of the results of science and technology, we must deepen the socialist development and education of the people and constantly enhance the working people's qualifications.

The realization of these intentions requires that we improve the developmental and educational process in elementary schools, by reducing as appropriate the number of pupils per class. Under the conditions of substantial increases in the number of young people from 14 to 17 years of age, we must devote special attention to ensuring the material and cadre prerequisites for realizing 10-year compulsory school

attendance in secondary schools. We must begin to expand audiovisual and microcomputer technologies and set up curriculum programs for them.

We must perfect the training of young people for worker professions, particularly from the viewpoint of raising the standards of their professional training in harmony with the increasing demands of the scientific-technological revolution; and we must create the cadre and material conditions needed for this.

In secondary and university-level schools, we must adjust the structure of individual study disciplines to the main directions of scientific-technological development and to the strategic plans of socioeconomic development that are being implemented. We must gradually introduce data and computer control systems into the students' curriculum and practical activities. Scientific activities at university-level schools must be expanded. At least 75,000 square meters of classroom space, more than 3,000 beds in student dormitories, and cafeterias with a capacity for serving almost 30,000 meals daily must be built.

In the process of development, education, and vocational training, we must ensure that the influence of all elements in society that are involved with upbringing is brought uniformly to bear -- that is, school, family, working collective, social organizations, and the mass media. We must raise the sense of responsibility of school graduates and prepare them to take up jobs in which society needs them most, and to prove by their qualified work that they are prepared for life and work in the socialist society. We must work out the concept of further education for the working people.

We must continue to intensify the socialist nature of culture and ensure its comprehensive development, so that it has a positive impact on the entire structure of social life and the rearing of the new man. One of the important tasks of culture and the arts is to purposefully create new values, to contribute to filling the working people's leisure time, and to influence the development of their creative activity and encourage a healthy, creative way of life. From this viewpoint we must improve the system of management and develop in a differentiated manner artistic activity and its educational impact on society. We must ensure a more effective and purposeful use of social resources for these purposes.

The role of the mass media must be enhanced and their work improved. Conditions must be established for the expedient modernization of the capital assets base and the construction of a new radio center in Prague, as well as for the further construction of television centers in Prague and Bratislava. The capital assets base of the printing industry must be improved. In cooperation with the CEMA countries, we must gradually develop the latest technology for producing compact disc records and record players, as well as video recorders.

Systematic attention must be devoted to developing physical education, sports, and recreational facilities, as important prerequisites for the population's health. We must devote particular care to mass physical education and tourism, and ensure for this a uniform and coordinated approach of all agencies that actively participate in the development of physical education. Conditions must be established so as to ensure that better use is made of sports grounds for developing mass physical education.

We must grant preferential treatment to the development of those sports activities and disciplines that are less costly and do not require extensive facilities. We must make better use of the all-around care that is devoted to the considerable resources spent by society on ensuring and developing physical education and sports and the state sports representation.

XI. Protection and Creation of the Environment

The protection and creation of the environment, as an integral part and basic prerequisite of socialist care for man, are among the key issues in raising our citizens' living standards. In implementing the measures for further developing the national economy and society, we must proceed from the urgent task of improving the overall state of the individual components of the environment, particularly the atmosphere, water, soil, and forests; and regard environmental protection as part and parcel of party and state policy. We must set aside special purpose-linked resources for specific ecology campaigns, to the tune of a least Kcs17 billion -- which is more than double the amount in the Seventh 5-Year Plan.

Environmental problems must be resolved on a priority basis in heavily urbanized areas and in places where there is a high concentration of industry and where coal and raw materials are extracted and refined.

We must put a stop to air pollution from solid and gaseous emissions and we must establish prerequisites for making this pollution begin to decrease in the Ninth 5-Year Plan. Accordingly, we must gradually reduce air pollution by sulfur dioxide and nitrogen dioxide, particularly near such large sources of pollution as electric and thermal power stations. Alongside the reduction of brown coal consumption and the introduction of new technologies, we must regard the change in the structure of our fuel and power balance and the enhanced role of electric power and natural gas as one of the decisive ways of improving air quality.

Ministerial departments, economic production units, and enterprises must have greater responsibility for the consistent protection and rational use of subterranean and surface water resources. In the Eighth 5-Year Plan the construction of purification plants for waste water must be oriented toward the main sources of water pollution; thus we must establish conditions for a steady decrease of pollution. In order to improve water purity, we must use the possibilities for building small purification plants for waste water within the framework of the "Z" embellishment campaign. We must eliminate the current exemptions from the water law.

We must ensure the use of solid industrial and communal waste and its liquidation without adverse effects on the environment.

In the Eighth and Ninth 5-Year Plans we must strengthen those engineering and building industry production facilities that are required for ensuring deliveries of technology and construction work, including assemblies, for the realization of air and water protection measures. We must make it possible for these facilities to be properly maintained. This also applies to measuring and computing technologies.

We must further cut down the loss of agricultural and forestry land; reduce the acreage threatened by water and wind erosion; alleviate the damage to forest growth from air pollution; and thus generally strengthen the country's ecological stability.

We must see to it that national committes prepare and realize, within the framework of election programs, specific campaigns for protecting and creating the environment in their respective areas. We must orient civic initiatives toward this. We must ensure regular checks on adherence to the set norms and regulations for preserving the quality of our environment and we must draw strict consequences from any violations. The organizations of the National Front, industrial enterprises, and economic organizations must work out specific sets of measures to ensure that the working people adhere to technological discipline and see to it that emissions of harmful substances into the air, water, and soil are minimized. The plants must ensure an improvement of the working environment and enhance their care for order, cleanliness, and the appearance of the plant and its environment. In cities and communities,

within the framework of election programs, we must intensify our care for cleanliness and appearance. Our communities must continue planting greenery and establishing parks and recreational zones; and we must see to their proper maintenance. By training people to take care of the environment, we must influence the behavior and decisions of every citizen, we must combat all manifestations of vandalism, and we must create a sensitive attitude to our environment.

XII. Development of the Czech and Slovak SRs

The economic development of the Czech and Slovak SRs must be oriented toward using their economic and natural conditions for intensifying the unified Czechoslovak national economy.

While respecting the specific conditions in the two republics, we must ensure the mobilization of all reserves, particularly in the use of basic production assets -- above all modern, newly built facilities -- and achieving maximum efficiency in the creation of resources.

In doing this, we must proceed from the increase in citizens of a productive age, as well as from the age of the fixed assets which require a striking increase of their share of modernization and renewal. At the same time the development and modernization of the production base in the two republics must be oriented toward resolving the key problems of the unified Czechoslovak economy, particularly in raising overall efficiency and export ability.

Planning for the comprehensive development of individual areas and zones must be further improved. The territorial agencies, and particularly national committees, must aid the ensurance of these tasks far more than in the past.

In the Czech SR we must establish conditions for developing the social production so as to achieve a 17-18 percent growth of the created gross national income; a 13-14 percent increase in the volume of industrial production; an 8-9 percent increase in the output of the building industry; and a 6-percent increase in agricultural production.

In comprehensive housing construction, we must complete 295,000 apartments. Througn housing construction, we must primarily ensure the recruitment and stabilization of manpower in selected branches of the national economy. The qualitative aspect of housing must also be improved through the modernization of 23,000 apartments of the third and fourth category. To achieve this, we must particularly enhance the facilities of the local building industry and increase their share in the repairs and modernization of the housing fund.

Effective measures must be adopted for improving living conditions in selected western areas of the west and south Bohemian regions. Increased attention must be devoted to the establishment and protection of living environments.

In the Slovak SR, we must increase the republic's participation in the statewide creation of resources. The creation of the national income must be stepped up by 23-25 percent; the volume of industrial production 18-20 percent; the volume of production in the building industry 10-11 percent; and that of agricultural production 8-9 percent.

The balanced development of the individual aspects of the population's living standards must be promoted; the construction of 185,000 apartments must be ensured, 126,000 of them through contractors. The supply of drinking water to the population must be improved, so as to increase by 1990 the number of citizens supplied from the public water system to 75 percent. The number of beds in medical facilities must be expanded by 5,600; and the number of places in social care facilities by 3,100.

In further developing Bratislava, we must resolve issues such as the reconstruction of the transportation system, the construction of medical care facilities, and the improvement of living environments.

The federal and national agencies must devote concentrated attention to the further development of Prague, the CSSR's capital.

In orienting the further development of the structure of industrial production in Prague, we must proceed from the concentration of the scientific research base and of university-level schools on its territory, since this establishes prerequisites for emphatically accelerating the process of modernizing the production base, especially in engineering and electrical engineering, so as to achieve the highest technical standards. Systematic attention must be devoted to the program of housing construction, and 48,000 apartments in all forms of construction must be completed. The repairs and modernization of old housing must be substantially accelerated, so as to turn it into a significant factor in improving the city's appearance. In city transportation we must continue building the metro, and expand its network to 40 km by the end of 1990. The construction of the road network must continue to concentrate on building the city's basic communication system. The construction of the railroad marshalling center must be accelerated.

The improvement of the living environment must be ensured. The central supplies of heat to Prague and linking the city to a gas system must become reality.

The realization of the program of Prague's medical care must be accelerated; in the first place, we must rebuild the obsolete technical-economic facilities of in-patients' wards and complete them expediently; we must ensure the construction of the motel hospital attached to the university; and we must increase the number of beds in the hospital facilities for patients with long-term illnesses.

XIII. Improvement of the Planned Management of National Economy

In order to reach the goals in socioeconomic development, in the enforcement of intensification, and in the enhancement of efficiency and quality, we must achieve emphatic progress in further improving the system of planning and management in the national economy.

In the Eighth 5-Year Plan it is essential to implement the set of measures, which has been further improved, for establishing conditions for rapidly implementing the R&D results and for innovative activity, as well as conditions for enhancing the authority and responsibility of the economic sphere in capital construction. There must be intensified interest in raising the quality of production and the effectiveness of exports; in lowering the level of wholesale prices; in adhering to relations between the development of wages, the growth of labor productivity, and the results of economic activity; and deepening economic accountability, the efficient handling of stocks, and material- and value-oriented planning. We must improve direct management and organizational work, and tighten control on all management levels. In agriculture we must consistently implement the measures for developing the system of planned management of the agricultural-food complex.

At the same time, we must prepare -- and gradually realize in the Eighth 5-Year Plan -- further measures aimed at enhancing our influence on the acceleration of the intensification process and the growth of effectiveness and quality, measures which will ensure the organic unity and efficient collaboration of planning, economic tools and stimuli, and organizational management structures.

For this it is essential:

-- To consistently implement democratic centralism, which combines the unity of central management with initiative, creativity, and high responsibility on all levels of the economy. We must consolidate state and planning discipline and increase the efficiency of control activity;

-- To strengthen the long-range nature of central planning and raise its scientific level, particularly on the basis of resolving the long-term conceptual and strategic issues of the dynamics, proportionality, and efficiency of the development of the economy, and on the basis of shaping the progressive structure of social production and ensuring its intensification;

-- To ensure a systematic linkage of prognoses, long-term, and 5-year plans; strengthen the role of the 5-year plan by creating and using uniform criteria of efficiency and by tightening the links between material- and value-oriented relations;

-- To strengthen the economic independence and jurisdiction of economic production units and enterprises and enhance responsibility for their increased economic efficiency, for the implementation of R&D results, for a more flexible reaction to the development of external economic conditions, and for the more comprehensive satisfaction of the needs of our domestic market;

-- To enforce the longer-term responsibility of organizations, and particularly of their leading staff, for the final yields to the society; and orient their material interests in this direction;

-- To intensify cost accounting, based on the tasks of the 5-year plans and on the sets of economic norms [ekonomicke normativy] derived from them; and consistently apply it in intra-enterprise subdivisions. The economic instruments and sets of norms must be primarily oriented toward enhancing efficiency, achieving a higher valorization of energy and material inputs, better utilizing the basic assets, and thus also raising the profitability of production;

-- To consolidate the economic relations between organizations and emphatically strengthen the role of economic contracts. Conditions must be established for increasing the role played by the consumer in setting the technical standards of products, determining their range and quality, and in establishing long-term relations between suppliers and consignees. Nonfulfillment of contractual commitments, delayed fulfillment, and bad-quality deliveries must be penalized more consistently and effectively;

-- To establish prerequisites for the more efficient operation of the pricing system, calculations, and technical-economic norms, with emphasis on the impact of exacting world conditions in order to enhance the reliability of efficiency criteria in making planning decisions, in distributing resources, and in justly appraising organizations and remuneration;

-- To rationalize wholesale and procurement prices in relation to socially necessary expenditures and world prices;

-- To perfect and make more consistent use of financial and currency instruments, including currency exchange rates, and thus strengthen the best possible linkage between the plan and economic accountability, with the aim of exerting a more effective influence on the economic and financial equilibrium and on currency stability. We must make the system of creating and using cost-accounting funds more flexible and simple, and we must radically tighten the organizations' access to financial resources with the aid of progressive sets of norms for material incentives and by limiting undesirable grants, by redistributing them, and by granting loans and foreign currency from the viewpoint of highest yields. We must give preference to the use of the organizations' own financial resources for financing their development.

To improve the economic tools of foreign trade which help to deepen Czechoslovak participation in socialist economic integration (above all by applying the method of direct relations between economic organizations), as well as the development of specialization and cooperation in production, above all with the CEMA states, so this leads to a more rapid turnover of products requiring a higher degree of processing and high technical standards;

-- To gradually interconnect the management tools in agriculture and in the food industry, within the management of the agricultural-food complex, and thus enable more rational use of production and financial resources; furthermore, to bring more efficiently into line the proportionality and relations within the entire agricultural-industrial complex and, in particular, to strengthen the role of supplier-consignee relations by consistently concluding contracts and encouraging their fulfillment in terms of bulk, structure, and quality.

In connection with resolving the practical tasks of developing the national economy and its management methods, we must improve the organizational structure of the production-technical base. The size, forms, and internal organizational structure of the units of our production-technical base must be oriented so they not only ensure the fulfillment of strategic and pivotal production programs, but also satisfy the specific and rapidly changing needs of both the domestic and the foreign market, and those of production itself. According to requirements, one must apply and mutually combine the sectoral, combine, and territorial principles of organization. Progress must be achieved in linking production with domestic and foreign trade. We must improve the management and organization of the turnover of raw materials, other materials, and products in the national economy.

With the aid of the combined forms of organization and of the expedient merging and unambiguous delineation of the functions of economic facilities, we must establish conditions for the collaboration of our research, design, and production activities, as well as for the fulfillment of delivery functions on a higher level and closer cooperation between final contractors and subcontractors.

We must enhance the efficiency of the work of our state apparatus and make its activity simpler and thriftier. We must eliminate formalism and bureaucracy in its activity, and we must cut down the administrative demands placed on management.

We must ensure all-around development of the working people's activity and a broader implementation of their initiative in the management of the economy and society. Improving management and enhancing its efficiency must be based on deepening the harmony between the working people's interests and the interests of the entire society.

We must make use of well-proven forms of the working people's participation in management, and we must search for new forms, particularly in the creation and realization of the plan. We must further develop socialist competition, and apply on a broader scale the brigade form of labor organization and remuneration, as well as moral incentives. A significant role must be played by the increased effectiveness of the wages systems, by the planning of cadres, personnel, and social development, and by the planned regulation of employment, including the solution of socioeconomic consequences connected with structural changes.

The draft of the Main Guidelines contains decisive goals and tasks whose fulfillment will enable us to achieve a further all-around development of our socialist society and the growth of the people's living standards. The only road leading to this is by consistent intensification of the national economy, acceleration of the development of science and technology and the introduction of their results in practice, the rational use of resources in all spheres of the national economy, and an improvement in the quality of all work. In this way we must achieve high social yields with the lowest possible costs, side by side with a lasting growth in social labor productivity.

The realization of the set goals and tasks will affect the life of every one of our citizens; that is why it must become the concern of all our people. The party proceeds from the idea that the decisive factor in the realization of our plans is man and his high working and creative activity and initiative, his support for all that is new and progressive.

It is thus an extremely important task of our party, state, and economic agencies and organizations, as well as of the components of our National Front, to organize and mobilize the working people, all our people, to successfully accomplish the tasks contained in the plan for our economic and social development.

More than ever, it will be urgently necessary to work better in every place, to improve management, to achieve the necessary changes in our way of thinking, to deepen the merit principle and the differentiation in remunerations according to achieved results, and to make use of all reserves and possibilities -- particularly creative energy, enthusiasm, and experience of the working people -- for the increased and more efficient creation of all-social resources.

We are counting on all organizations of the National Front to share significantly in the realization of the Main Guidelines. We expect them to grant full support to the document of the CSSR Government and the Central Trade Union Council (URO) on the working people's participation in the creation, realization, and control of the fulfillment of the 5-year plan and the annual execution plans of economic and social development, and thus also on their contribution to the increase of efficiency in every working place.

The Revolutionary Trade Union movement (ROH) and the Union of Cooperative Farmers must develop the working people's initiative for fulfilling and overfulfilling the planned tasks in quality. Apart from the well-proven forms, they must use new forms of working initiative. They must support the adoption of counter-plans, introduce brigade forms of labor organization and remuneration, and expand the initiative of enterprises and plants toward a speedier implementation of R&D results in production. They must strengthen the role of collective contracts in these directions. They must apply the experience of the best working collectives, outstanding workers and innovationists, inventors and improvers, with the active participation of the Czechoslovak Society for Research and Development. At the same time, they must raise the standards of production conferences [vyrobni porady] so they lead to a more resolute and speedy solution of problems in the work places and to the consolidation of the socialist attitude to work according to the principle "everybody a manager in his place of work."

The process of intensifying and implementing science and technology provides vast opportunities for making use of the creative abilities and talents of the younger generation. That is why the Socialist Youth Union must stimulate young people's interest and energy, and organize and train them to raise their active participation in the fulfillment of the set tasks.

We attribute great significance to the work of national committees. They must enhance their role in ensuring the socioeconomic development of territorial units [uzemni celky]. The national committees in communities, cities, districts, and regions will prepare, in cooperation with the organizations of the National Front, new election programs which, while making better use of the local resources, will contribute to satisfying the citizens' justified needs and interests, toward resolving their everyday problems, and toward improving the living environments.

The growing tasks connected with building the developed socialist society also logically raise the demands placed on the party's work and on our strengthening its leading role. Communists must be exemplary in fulfilling their working and social tasks. The party agencies and organizations must take the lead to consistently ensure the strategic line of the party's economic policy and they must make sure of the uniform course of state, economic, and social agencies and organizations in the regular fulfillment of the 5-year and annual plans; they must also substantially enhance the efficiency of party control. They must resolutely oppose violations of party and state discipline and of working and technological discipline; they must oppose the lack of thrift, as well as sloppiness and irresponsibility, and manifesations of departmentalism and local patriotism. They must fight against an overblown administration and bureaucracy, against all that harms social interests.

The cadre policy is an important part of consolidating the party's leading role. The party organizations must appraise cadres according to the results of their work. They must make sure that people who work in responsible positions are capable of enforcing the party's policy in practice, people who do not retreat before difficulties and who resolve new tasks in a committed manner. It is necessary to elevate young people to leading positions more consistently. The selection, placement, and evaluation of the executive staff, and the systematic improvement of the quality of their professional and political training, must be subordinated to these principles.

The fulfillment of the Main Guidelines will require a great effort on our part, particularly this year -- the year 1986, which is the first year of the Eighth 5-Year Plan and the year in which we begin fulfilling the tasks on a qualitatively higher level. The realization of these tasks will be aided by the development of initiative and of socialist competition in honor of the 17th congress and of the 65th anniversary of the CPCZ's establishment, as well as by the fulfillment of the URO's appeal to overfulfill the planned tasks in reducing the costs of materials, in raising labor productivity, and in substantially raising the quality of production, as well as by speeding up R&D on the basis of the appeal launched by Prague's enterprises.

The CPCZ Central Committee is convinced that we have sufficient strength, means, and experience to reach the set goals. The impulse which stimulates us lies in the CPSU's Leninist approach and in the documents published on the preparation of the 27th CPSU Congress. A successful realization of the goals which we are setting ourselves will be the best contribution which Socialist Czechoslovakia will make toward consolidating the strength, and developing the economic potential, of the entire socialist community -- and a significant contribution toward preserving peace in the world.

HONECKER SENDS REAGAN CONGRATULATIONS ON BIRTHDAY

LD060925 East Berlin ADN International Service in German 0300 GMT 6 Feb 86

[Text] Berlin, 6 Feb (ADN) -- SED Central Committee General Secretary and GDR State Council Chairman, Erich Honecker sent the following congratulatory telegram to the President of the United States of America, Ronald Reagan:

I convey my sincere congratulations to you on your 75th birthday. I wish you health and personal well-being for your responsible work.

I use this occasion to express my firm conviction that the safeguarding of peace is the most important task of all states and peoples in the present time. The joint statement made by you and Mikhail Gorbachev in Geneva gives renewed hope to all peoples. Good relations of peaceful coexistence between our two states can help promote the solution of this vital question.

KLEIBER ASSESSES BILATERAL TIES WITH LIBYANS

Discusses Economic Cooperation

LD031755 East Berlin ADN International Service in German 1700 GMT 3 Feb 86

[Text] Tripoli, 3 Feb (ADN) -- The long-term development of GDR-Libyan economic relations was the subject of talks conducted by SED Central Committee Politburo member Guenther Kleiber, deputy chairman of the GDR Council of Ministers, in Tripoli on Monday [3 February]. He conferred with Muhammad Ubayd al-Shukri, secretary of the General People's Committee for Public Affairs and Building, Abu Zayd Umar Durdah, secretary of the committee for Agrarian and Land Reform, Musa Ahmad Abu Euraywah, secretary of the committee for Light Industry.

The two sides concurred that the economic strength of the GDR and Libya's development conceptions offer good starting points for the continuation and expansion of mutually beneficial economic cooperation.

Confers With Al-Qadhdhafi

LD032051 East Berlin ADN International Service in German 1929 GMT 3 Feb 86

[Text] Tripoli, 3 Feb (ADN) -- The GDR and Libya will take all necessary steps to decisively counter policies of the most aggressive circles of imperialism that threaten mankind. This was emphasized during a friendly talk with leader of the Libyan revolution, Mu'ammar al-Qadhdhafi who received Guenther Kleiber, deputy chairman of the GDR Council of State in Tripoli on Monday.

Guenther Kleiber, who is in the Socialist People's Libyan Arab Jamahiriyah at the invitation of the Libyan leadership for talks on further deepening cooperation, handed a personal message from Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, to Mu'ammar al-Qadhdhafi. At the same time he conveyed cordial greetings from Erich Honecker.

Guenther Kleiber praised the results achieved in expanding the relations between both friendly states as an important factor in the stabilization of peace.

In discussing the international situation, they expressed their concern about the continuing threat to world peace. They were in agreement that everything has to be done to free the world from nuclear weapons and thus from the scourge of war. The peace program presented by the Soviet Union to this end has the full agreement and active support of the GDR and Libya. This comprehensive program is realizable and offers a historical chance to mankind.

The GDR politician emphasized that when reason and realism guide the political actions of a time which calls for extraordinary responsibility and initiative, then difficult questions can be solved. As the most recent events in the Mediterranean area show, aggressive circles do not hesitate to use blackmail, violence, and boycotts to achieve their aims and intimidate those states whose development and policies are a hindrance to them.

The Libyan position, characterized both by circumspection and resolve, which found global support has clearly shown the limits of imperialist hegemony. Guenther Kleiber reaffirmed the GDR's position of solidarity toward Libya in the preservation of its sovereignty and independence. The establishment of a comprehensive, just, and lasting settlement of the Near East problem is more urgent in view of the growing tension in the region as well as the growing military, political, and economic threats to Arab states by the most aggressive circles of imperialism. That is why the GDR supports an international conference under the auspices of the United Nations with the participation of all interested parties, including the PLO.

Mu'ammar al-Qadhdhafi expressed thanks for Erich Honecker's greetings and asked that they be reciprocated. He praised the peace policy of the GDR in the heart of Europe and its position of solidarity toward Libya and the just struggle of the Arab peoples.

The leader of the Libyan revolution explained the situation which arose as a result of the United States policy of threat and blackmail and emphasized the firm will of the Libyan people to defend their gains against all imperialist attacks. In this regard his country knows the USSR, GDR, and all progressive forces are at its side. Libya needs peace and security to implement its great development aims.

Dealing with economic relations between the GDR and Libya, both sides renewed the readiness to use fully the existing opportunities for long-term, mutually beneficial cooperation and to open-up new areas.

Signs Political, Economic Treaty

LD041546 East Berlin ADN International Service in German 1437 GMT 4 Feb 86

[Text] Tripoli, 4 Feb (ADN) -- Guenther Kleiber, member of the Politburo of the SED Central Committee and deputy chairman of the Council of Ministers of the GDR, and 'Umar al-Muntasir, secretary of the General People's Committee for Heavy Industries, signed an agreement today (Tuesday) in Tripoli on the consolidation of political and economic relations between the GDR and Libya. On the same day, Guenther Kleiber ended his official visit, for which he had arrived on Saturday in Tripoli at the invitation of the Libyan leadership.

The subjects of the treaty are concrete steps of cooperation in fields such as agriculture, foodstuffs, health, and construction, including the training of qualified employees, the takeover of consulting services, and the exchange of experts.

KARPATI VISITS MOSCOW, MEETS WITH GROMYKO, SOKOLOV

For reportage on the visit to Moscow by Defense Minister Ferenc Karpati, including his meetings with Soviet President Andrey Gromyko and Defense Minister Sergey Sokolov, see the Eastern Europe section of the 5 February Soviet Union DAILY REPORT and subsequent issues.

ECONOMIC COOPERATION AGREEMENT SIGNED WITH POLAND

LD052036 Budapest Domestic Service in Hungarian 1100 GMT 5 Feb 86

[Text] Hungarian-Polish economic cooperation is continuing at the former rapid rate. This was agreed in Warsaw by the two countries' representatives. Jozsef Laszlo reports from the Polish capital.

Last year trade reached about R1.1 billion, more than 50 percent more than 3 years earlier. According to the premises of the next 5-year plan, trade will be one-third more than in the last plan period and it will be well in excess of R6 billion. The joint committee, led by Jozsef Marjai, and his Polish counterpart, Jozef Koziol, has assessed the qualitative changes favorably, due to the fact that more and more joint ventures and specialization agreements have been concluded and enterprises' direct cooperation is increasing. They also discussed the possibilities for the joint manufacture of domestic appliances, such as gas and electric stoves, and washing machines. Discussions have started on the joint manufacture of high-capacity freight trucks, and bus manufacture cooperation is continuing. In addition to this the Hungarian side will continue to deliver spare parts to the Bielsko-Bialo (?FSM) factory for the manufacture of small Polsky cars.

During his visit to Poland Jozsef Marjai inspected the color television factory near Warsaw. The deputy chairman of the Council of Ministers was received by Roman Malinowski, marshal of the Polish Parliament, and by Deputy Premiers Manfred Gorywoda and Wladyslaw Gwiazda.

ARGENTINE FOREIGN MINISTER CONCLUDES VISIT

LD051154 Budapest MTI in English 1038 GMT 5 Feb 86

[Text] Budapest, February 5 (MTI) -- Dante Caputo, foreign minister of the Argentine Republic, paid an official visit to Hungary from February 1 to 5, on the invitation of Hungarian Foreign Minister Peter Varkonyi. The Argentinian foreign minister met Pal Losonczi, president of the Presidential Council, and Gyorgy Lazar, chairman of the Council of Ministers. Dante Caputo held talks with Peter Varkonyi, and also met with Minister of Foreign Trade Peter Veress. On concluding his visit to Hungary, Dante Caputo left Budapest Wednesday morning [4 February]. He was seen off at Ferihegy Airport by Peter Varkonyi. Also present was Carlos Oscar Keller Sarmiento, ambassador of the Argentine Republic to Budapest.

ARGENTINE-HUNGARIAN TRADE TALKS REPORTED

LD051058 Budapest MTI in English 1016 GMT 5 Feb 86

[Text] Budapest, February 4 (MTI) -- Jorge Campbell, Argentina's deputy state secretary for industrial and commercial affairs who is in Hungary to accompany the minister of foreign affairs, held talks Tuesday [4 February] with Ferenc Horvath, state secretary of the Hungarian Ministry of Industry and with Imre Dunai, deputy minister of foreign trade, on the expansion of economic relations between Hungary and Argentina.

The deputy state secretary visited the Hungarian Chamber of Commerce and the Medicor works. The deputy state secretary of Argentina told the press that Argentina is highly interested in the advance of economic relations between the two countries and for this reason at the talks he recommended signing an agreement for deliveries of soybean meal to cover an entire year.

5-YEAR ECONOMIC PLAN FULFILLMENT REPORT REVIEWED

AU051527 Budapest NEPSZAVA in Hungarian 4 Feb 86 p 3

[Tibor Flanet article: "True Picture of Our Economy"]

[Text] There is no denying that the report published over the weekend by the Central Statistical Office on economic and social development during the Sixth 5-Year Plan period is not exactly a cheery piece to read. But it was not meant to be, either, as statistics should strictly reflect reality and not our desires. And the reality is that 5 years of the oft-mentioned 7 lean years belonged to this plan period. Accordingly, the results are also more modest than we thought they would be at the beginning of the decade. The Hungarian economy was confronted with perhaps more problems and difficulties than we expected.

There Were More Successful Periods, Too

In short, anyone who glanced through the lengthy report probably concluded that we have had more successful periods than this. Or, one might conclude that the statisticians are now showing us years of failure, as undoubtedly transpires from the figures, and that we were unable to achieve all the goals from among the most important ones.

The most painful realization is the fact that the increase in national income between 1981 and 1985 was much more modest than planned. It was only 7 percent compared to the stipulated 14-17 percent. Similarly painful must be the realization that the development of industrial production also lagged behind our original intentions. It grew by only 12 percent as compared to the 19-22 percent planned. And even if these planned figures had been achieved, that would still not have meant an accelerated economic growth, either. The plan that set the improvement of the country's solvency and restoring the foreign economic balance as the main task above all other economic policy tasks could not count on an accelerated growth from the beginning. The funds allocated for the payment of foreign debts had to be raised through limiting the domestic utilization of the national income and at the expense of the national income.

If national income had increased more strongly, allowing for more of it to be used domestically, things would, no doubt, have been easier and followed by less tension. It would also have been easier if we had the kind of production structure that makes it possible to increase efficient exports more rapidly; one that does not require us to limit imports in order to achieve the necessary exports surplus.

The Role of the World Market

The facts show, however, that our intentions in this respect remained mainly intentions. In addition to the weaknesses in our own competitiveness, changes in the world market situation over which we had no control also played a role. For example, the considerable drop in the foreign market price of a series of products which have considerable weight in Hungarian exports -- meat and aluminum, for instance -- was also a factor.

In spite of all this, we can also see in the Central Statistical Office report that a fundamental change, or if you like, a turn, nevertheless took place in the country's foreign economic balance in these 5 years. The deficit of the foreign economic balance accounted in currencies other than the ruble repeatedly exceeded the annual sum of 50 billion forints in the second half of the seventies, and this led to indebtedness. This deficit disappeared in 1981, and by 1982 there was an export surplus. In the following 2 years, the positive foreign economic balance was so large that it enabled us to reduce the country's debts. And in spite of all the difficulties we were also able to end the last year of the Sixth 5-Year Plan with an export surplus.

The country achieved a total export surplus of $2.2 billion in these years, and that led to the strengthening of foreign banks' trust in the solvency of our country. The daily payment problems stopped and, under finally relaxed payment conditions, we were able to change the high-interest short-term loans with long-term ones under more favorable conditions.

Such an improvement in our solvency is an unexpected achievement not only by those who mainly see our failures in the present report but maybe also by those who were watching events with more confidence.

In addition, this means that, in spite of modest achievements in many respects, we succeeded in stepping forward and there is no reason to be ashamed of the achievements of the people's economy in the Sixth 5-Year Plan. After all, we succeeded in implementing the most important goal of the plan, namely to restore the foreign economic balance. And if we add to this the achievements of agriculture -- that, in addition to a balanced supply of food, we exported a considerable amount of food products -- or the fact that the standard of living developed more favorably than envisaged in our modest expectations after all, when we can hardly speak of a negative judgment of the Sixth 5-Year Plan.

This, of course, does not mean that we should not realize that restoring the balanced also had its price, primarily the fact that, since preserving the standard of living was a political question, withholding the domestically utilized national income was detrimental to development. Fewer investment projects were carried out in these 5 years than in the previous plan period and there was scarcely enough for technological development and essential technological and technical renewal.

The Task Is To Increase Efficiency

The economic policy of withholdings and limitations cannot be conducted on a long-term basis because this would lead to a lagging behind other countries and a further decrease in our competitiveness. Therefore, the Seventh 5-Year Plan, also stressing the importance of further strengthening the economic balance, made improved efficiency the main task to be achieved because more efficient economic activity and a better return on investments can also be a more solid basis for the country's economic balance. It enables faster growth in a more favorable direction.

The present international conditions for the implementation of the plan appear to be more favorable than 5 years ago. It depends on us and our work whether we can make use of these favorable conditions.

IMPLEMENTATION OF FOREIGN TRADE CONCEPTS ANALYZED

AU301330 Budapest MAGYAR NEMZET in Hungarian 28 Jan 86 p 5

[Article by Istvan Salgo, main staff member of the Institute of Planned Economy of the National Planning Office: "Should We Go into the Foreign Market?"]

[Text] The openness of regulations and institutions of an economy expresses the extent to which enterprises are allowed to develop their world economic relations concerning their goals and also determines the extent to which foreign influences can be asserted on a domestic economy. From this point of view, the rules of the game of the Hungarian economy are now in the process of transformation and their foreign economic elements still have a limited effect through the harmonization of top-level interests. Thus, these elements convey the market requirements only indirectly and do not enable world markets to effect the sphere of enterprises. This is an ambiguous situation. While these contacts are indispensable, the economic units are, nevertheless, protected from external influences considered as unfavorable, due to different internal norms.

To Connect by Dividing

It is impossible to characterize the above-mentioned situation -- even when talking about the period prior to the 1968 reform -- merely as a tendency toward self-sufficiency. Also following the reform we are talking about more than mere protection from "harmful" effects. The economy today is engaged in intensive foreign trade much more on the basis of quantitative requirements deriving from domestic conditions than on requirements for efficiency. If we analyze the features of the mechanism of separation and connection starting from this position, or if we wish to know better the changes in this mechanism, we must start from the premise that this is a product of a period in which the demand for a comprehensive central guidance of the internal processes made it necessary to eliminate all finds of foreign market influences "that cannot be directed" ["nem utasithato"]. In addition to insulating domestic prices from foreign market prices and connecting them at the same time through the price balancing mechanism, a similar role is assigned to enterprises specialized in foreign trade tasks separated from the domestic production-consumption sectors.

The first split in extremist monopolistic concepts appeared in the mid-fifties mainly because of the fact that more than half a dozen machine industry enterprises received licenses for independent foreign trade activity. In spite of all its positive elements, this however, was not enough in itself to bring about a genuine breakthrough in practice. The change did not question the monopolistic positions and it was not enough to bring about an integration of the various functions. The continuation of the economy's hierarchical system of directives had a negative effect on the flexible adjustment of the requirements for foreign markets. A genuine change in the mechanism that guaranteed the task of connecting through separation took place as a result of the 1968 reform. The complete separation of domestic and foreign prices was eliminated and it became possible for enterprises to decide freely, on the basis of economic calculations, from which market to buy and in which market to sell their goods.

At the same time, the isolating mechanism was not entirely eliminated and the institutions of "openness" were not developed. On the contrary, unlike the original concepts, the separating feature of the system became stronger in the seventies. The autarchic elements of the price system became more determined and the possibilities of realizing profits from world market prices and the free market weakened.

There was, however, a change in emphasis and the task of connection came to the forefront. A considerable role was played by the contradiction that while foreign market influences were felt by the production-consumption enterprises, they could, however, not contact this market from an organizational point of view. Although foreign trade decisions and the risks involved in these decisions belonged to the producers, maintaining foreign trade relations continued to be the privilege of previously developed and fundamentally monopolistic foreign trade enterprises. Although further foreign trade licenses were undoubtedly provided for a wider range of enterprises, the number of production-consumption enterprises in possession of such licenses was still small. Thus, what was achieved was not the elimination of monopoly situations but only a partial decentralization of these monopoly positions.

On the basis of all this, it is not surprising that the production enterprises regarded their relations with the foreign trade enterprises as "forced marriage." This obligation by the fact that the possibilities of choosing among the contractual forms expanded in 1968 were strongly limited through administrative methods. Thus, the debates between the production-consumption enterprises with increasingly smaller possibilities of independence in the course of the seventies finally concentrated around contractual relations, primarily around commission prices. It turned out that the reform obligated these contractual firms to regulate relations which are, after all, not the prime movers of the enterprises' interests.

Limited Independence

Weaknesses in the entrepreneurial readiness of foreign trade firms added to many other specific factors. One of them was that, by making use of their monopolistic position, they were able to achieve profits without efforts, especially in their relations with smaller enterprises. Another factor was that their interest in quantities, often contradictory to business practices, remained very strong. Connected to this is also the fact that, in the case of foreign trade enterprises, profits are completely independent of production efficiency. Finally, their business was also limited by the fact that they had to take their share of the direct implementation of several tasks exceeding the enterprises' sphere of authority.

The intensification of foreign economic tensions from the beginning of the eighties led to somewhat different measures than the ones taken previously. The growth in exports expected from large enterprises at the top and which undoubtedly contributed, in the second half of the seventies, to the increase in exports, "became exhausted." This, together with the balance requirements, coupled with a slowdown in economic growth, led to an increase in the importance of supplementary exports that could be expected, among other things, from the easing of organizational rigidity. As a result, there was an increase in the number of firms conducting independent foreign trade and creating competition, and internal organizations of foreign trade enterprises also started to develop.

The above-mentioned measures had an encouraging effect on firms' business attitudes. They shook these firms from their comfortable positions and at the same time took into consideration the restrictions that made the market-orientation of the entire foreign trade organization only partially possible.

Many characteristic features of this organization not only remained valid in the eighties but also further strengthened. The reason for this is mainly that, in harmony with the requirement to maintain solvency, the role of the central guiding bodies in the decisions concerning foreign trade became bigger and this further restricted the enterprises' room to maneuver, narrow as it is.

There is no doubt that a short-term quantitative increase in exports was and is expected from the changes. The requirement of increased efficiency was also subordinated to this viewpoint. However, general conditions of current economic activity often hinder even the achievement of quantitative goals.

Along with this, it is important to show that we are not talking about the fact that the existence of foreign trade enterprises in itself would hinder the development of the producers' enterpreneurial capacities. As proof of this, it is worth discussing in a little more detail the experiences of the independent foreign trade rights from among the above-mentioned measures. First of all, we must point out that, although some 300 enterprises possessing licenses for foreign trade activity, there are actually fewer enterprises engaged in real foreign trade activity; three dozen professional foreign trade enterprises continue to carry out three-quarters of the trade turnover.

What is more, the motivation behind the process of developing independent production firms is not -- or not only -- based on the requirements to increase exports or improve efficiency. It is often the demand to strengthen the individual monopoly situation, some prestige aspects, or to "keep a finger on travel assignments" which lie behind the facade of criticizing foreign trade monopoly. This matter also refers to the fact that Hungarian enterprises do not have a genuine interest in adding to world market production, namely, stepping out into the world market. And because capitalist exports are not an elementary interest of enterprises but a duty "expected" from above, the producer tries to fulfill this by maintaining conflict-ridden relations with the foreign trade enterprise, precisely in order to share the responsibility of a possible failure.

By Stimulating Other Forms

In order to be able to fulfill the more or less equal requirements of opening the door to the world economy and of the reform of the economic management system, by uniting the norms of external and internal markets, it is necessary to restrict the elements and organizations which are obstacles to self-improvement, even in the foreign trade structure system. It is justified to have a manifold and differentiated structural system in which businesses that come into contact with foreign trade can choose -- following primarily the aspects of long-term profitability -- whether they wish on their own to transact all of these complex foreign trade activities or only certain parts of them; or perhaps none, but wish to entrust independent businessmen to do the job. In order to promote this process -- and in spite of all its contradictions -- further measures are necessary to ease the administrative restrictions that hinder foreign trade activities and competition, and not only in capitalist exports but also in capitalist imports.

At the same time, by considering the fact that the structural changes so far have already created a differentiated system in the trade structure dealing with the world market, it is useful to contemplate how this process could be intensified. According to the demands for efficient foreign trade and the nature of the foreign trade firms' market approach, it seems necessary to establish various capital market institutions. This would not only make it possible to supply the business financing of trade activities, but it could assist in directing the capital, which occasionally accumulates due to sudden market movements in foreign trade, to flow into the general economy's circulation, instead of using fiscal methods and measures that restrict the risk-taking activities of enterprises.

REAGAN ADDRESS ANNOUNCES 'FURTHER ARMS DRIVE'

LD051341 Warsaw Domestic Service in Polish 1105 GMT 5 Feb 86

[Excerpts] The most important directions of U.S. internal and foreign policy for this year were presented by President Ronald Reagan in his State of the Union address to both houses of Congress.

President Reagan has announced a further arms drive, a speedier implementation of the "star wars" system, and increased financing of the rebel oppositions in Nicaragua, Angola, Cambodia, and Afghanistan.

As far as internal matters are concerned, he announced the ratification of the social welfare system in the United States. This, in the shortest possible form, is the contents of the fifth State of the Union speech in Ronald Reagan's term of office:

The President also expressed his readiness to meet disarmament initiatives halfway, but he significantly limited the possibility of counter [word indistinct] and, what is more important, he effectively excluded the perspectives of a demilitarization of space.

Referring to last week's Challenger catastrophe, and paying (his) respects to its crew, the President announced the resumption of the shuttle program, and presented a plan for creating, as he said, a new Orient Express -- that is, a (?future) system of [word indistinct] communications through devices that would exceed the speed of sound many times.

One question springs to mind: Is this the end of hopes awakened by the Geneva summit meeting and the disarmament proposals of Mikhail Gorbachev? The position taken up by the U.S. President does not, after all, differ in any significant way from the aims described in past years: the same aspiration to increase American armaments, to prepare "star wars" to achieve military superiority; aiming toward confrontation and not toward detente -- which should stem from the so-called spirit of Geneva. So, is this the end of hopes? Certainly the end of euphoric hopes -- belief in a new Reagan, Reagan the angel of peace who, having been so far misled by his coworkers, had apparently suddenly seen the light and would now devote himself to the ideal of disarmament. But there is still certainly a further, lively hope that the Soviet ideas will triumph: the ideal of a world without nuclear arms or at least with a balance of forces that will uphold peace. This victory, however, can only be achieved with hard demands by forces that will not resign themselves to sacrificing the whole world to the dictates of U.S. imperialism.

No sensible person could have expected the governing U.S. establishment would suddenly give up a policy which had been forced through with difficulty and which gives it obvious benefits. Former President Eisenhower had already warned Americans against the military-industrial complex. This group today governs the United States. Their front man is Ronald Reagan, it is their interests that he implements -- that is, the interests of large consortiums and the military; scientists and technicians and a whole galaxy of dogs that live off armaments, smaller dogs, but ones that bark loud. The policy of increasing armaments, including nuclear ones, brings these consortiums annual sums that are unheard of even in the history of the United States. This is at the cost of the ever-increasing U.S. national debt but this does not bother those who are earning billions. If worse comes to worst they will push the President toward a further decrease in social welfare programs.

Two things: The Sejm resolution, adopted a few days ago, says that the return to detente is a complex process and will require putting in much effort and tapping all the resources of common sense and goodwill in the world. For the time being, President Reagan has not experienced a revelation -- from being (?Saul) he has not become Paul -- preaching the gospel of peace. But this is, after all, only the beginning of the process initiated by the peace policy of the socialist superpower -- the Soviet Union. And therein lies our hope.

U.S. BUDGET, ADDRESS SUPPORT POLICY OF POWER

LD060005 Warsaw Domestic Service in Polish 2210 GMT 5 Feb 86

[From the "World Panorama" program presented by Andrezej Zychowicz and Grzegorz Dziemdowicz]

[Text] Good Evening from Andrzej Zychowicz and Grzegorz Dziemidowicz.

[Zychowicz] President Reagan's address on the State of the Union and the 1987 U.S. draft budget are today's subjects being assessed and analyzed by all press agencies. I would like to start with the budget for it is a converging point for political, military, and economic issues. What do the commentators point out? That stress is put on the need to decrease the budget deficit which at present stands at almost $200 billion, and of course on the means to this end -- that is, savings in welfare funds but not as far as military spending is concerned. This is a special expenditure to cover the costs of implementing the arms programs, including the "star wars" program. In other words, the analysis of the draft budget submitted by the administration allows one to draw conclusions on future U.S. policy.

The address leaves no doubt this is going to be a continuation of the policy from a position of power. Where then is the Geneva table? Where is the realism the President talked about while assessing U.S.-USSR relations?

[Dziemidowicz] Of course, both the budget and the presidential address, first and foremost, leave no illusions or doubts about future U.S. policy. The President simply confirmed what he said in his previous four State of the Union addresses. This was his fifth address. Let us recall that every year the White House chief who is in office delivers to Congress a report and forcast on future administration policy. So, what do this new budget and this new policy contain?

In his speech, which lasted more than 30 minutes, the President in fact expressed many generalities and many cliches about the greatness of the United States and the need to speed up the pace. He said: We are at the bottom of the mountain and the whole of Everest is in front of us -- of course the Everest of problems. Among them he named such issues as the need to continue the space program despite the Cballenger disaster 1 week ago, and the armament program, too. Here the continuity is obvious and the draft budget confirms this as you already mentioned. More than one-quarter of all federal expenditure is supposed to cover arms.

[Zychowicz] Exactly. The draft budget for military spending envisages $311.6 billion including -- let us draw our attention to this -- $4.8 billion on "star wars." If we compare this to the amount of $2.7 billion already spent for this purpose this year, it is noticeable that this is a serious increase. And in the nearest 5-year period arms expenditure is to reach the enormous sum of $1.8 trillion.

[Dziemidowicz] One can see from this that Caspar Weinberger, the Pentagon chief, has not really restrained himself in any way and has designed his budget in the way he thinks appropriate. But to consider all objections of Congress on the necessity of budget cuts, and at the same time to satisfy Weinberger, the President had to make decisions about looking for savings in other areas. Of course, as usual in welfare programs: for social security, for cheap city transport, and for agriculture in particular. Spending on agriculture is to be cut by as much as one-fifth.

[Zychowicz] Let us add that the draft budget will of course be the subject of discussion in the Congress, and first and foremost, in the House of Representatives, where there are opponents of such an extended military budget. But I would like to add something on the opinion expressed by the TASS agency. TASS says the Washington administration's attitude to the issue of war and peace was expressed in the address by the old simplified formula: The United States should arm to the fullest extent and implement SDI, with whose help the United States would like to preserve its nuclear arsenal and guarantee a possibility of first nuclear strike for itself. This is an opinion that discredits this project completely and, of course, also the principles explained in the address.

CENTRAL COMMITTEE COMMISSION PERSONNEL CHANGED

AU061034 Warsaw TRYBUNA LUDU in Polish 3 Feb 86 p 2

["Resolution" of the 24th PZPR Central Committee Plenum: "Changes in the Composition of Central Committee Problems Commissions"]

[Text] The Internal Party Commission: The following have been removed [odwolas] from this commission: Jozef Baryla, Stanislaw Kociolek, Wladyslaw Kowal, Jerzy Szukal, and Augustyn Wajda. The following have been appointed to this commission: Mieczylaw Czerniawki, first secretary of the Lomza Voivodship PZPR Committee; Wladyslaw Honkisz, director of the Central Committee Cadres Policy Department; Boguslaw Kolodziejczak, head of the Central Committee Secretariat Chancellery; Wladyslaw Plewniak, first secretary of the Tarnow Voivodship PZPR Committee; and Marian Wysocki, first secretary of the Zamosc Voivodship PZPR Committee.

The Ideological Commission: The following have been removed: Wieslaw Bek, Norbert Michta, Marian Orzechowski, and Florian Ratajczak, and the following have been appointed: Jerzy Lazarz, director of the Central Committee Information Department.

The Economic Reform and Policy Commission: The following have been removed: Kazimierz Barcikowski, Stanislaw Kukuryka, and Janusz Obodowski; and the following have been appointed: Boleslaw Smagala, first secretary of the Elblag Voivodship PZPR Committee; and Jerzy Sypek, first secretary of the Czestochowa Voivodship PZPR Committee.

The Science and Education Commission: Jerzy Wiatr has been removed and Boguslaw Kedzia, director of the Central Committee's Science, Education, and Technological Progress Department, has been appointed.

The Culture Commission: Mieczyslaw Wojtczak has been removed and Andrzej Szpringer, first secretary of the Lublin Voivodship PZPR Committee, has been appointed.

The Youth Commission: Tadeusz Rzppiecki has been removed and Captain Zbigniew Ciecieszko, chairman of the Polish Army Youth Council, has been appointed.

The Commission for Representative and Self-Governing Bodies: Wlodzimierz Mokrzyszczak, Wieslaw Skrzydlo, and Zenon Wroblewski have been removed and Kazimierz Barcikowski, State Council deputy chairman, has been appointed.

The International Commission: Wlodzimierz Natorf has been removed and the following appointed: Wiktor Kinecki, first secretary of the Gorzow Voivodship PZPR Committee; Ernest Kucza, director of the Central Committee Foreign Department; and Marian Orzechowski, minister of foreign affairs.

The Maritime Commission: Jerzy Korzonek and Edward Szydlik have been removed and Zygmunt Czarzasty, first secretary of the Slupsk Voivodship PZPR Committee, has been appointed.

In addition, Henryk Pucilowski has been removed from the Mining Commission; and Jotef Baryla, Central Committee secretary, and Stanislaw Ciosek, director of the Central Committee Sociolegal Department, have been appointed to the Commission for Law and Order.

COMMISSION REVIEWS PZPR STATUTE AMENDMENT

LD302124 Warsaw Television Service in Polish 1830 GMT 30 Jan 86

[Text] The congress commission team examining the proposals for additions and amendments to the PZPR statute held its first meeting. Wlodzimierz Mokrzyszczak chaired the meeting. The team reviewed proposals for amendments and supplements to the statute filed with the Central Committee during the political campaigns following the ninth extraordinary congress. It also reviewed the register of motions that had been examined by the party Central Committee Internal Commission. Team members Zofia Grzyb, Stanislaw Kalkus, Stanislaw Bejger, Jozef Baryla and Jerzy Urbanski took part in the deliberations.

MESSNER STRESSES RATIONAL LAND USE TO VOIVODAS

LD051901 Warsaw Television Service in Polish 1620 GMT 5 Feb 86

[Text] Zbygniew Messner, chairman of the Council of Ministers, having in mind the rational use of agricultural land, has addressed a letter to the voivodas, in which he stresses the obligation of effective implementation of the existing law on the proper use of land, its protection, and the responsibilities of the state administration at all levels, established in this matter.

AGERPRES STATEMENT ON 'HIJACK' OF LIBYAN PLANE

AU051919 Bucharest AGERPRES in English 190 GMT 5 Feb 86

["Statement of the Romanian News Agency AGERPRES" -- AGERPRES headline]

[Text] Bucharest, AGEPRES 5/2/1986 -- The Romanian News Agency "AGERPRES" is empowered to state the following:

The hijack by Israeli military planes of a Libyan passenger aircraft on its Tripoli-Damascus flight, which was forced to land in Israel, is an inadmissible act of grave violation of international norms and conventions, of interstate relations.

Public opinion in Romania sternly condemns such acts of piracy which put the safety of air traffic and the passengers' lives in jeopardy, foment tension and may have rather serious consequences on the peace and security of the world as a whole. International organizations, world public opinion must take a firm stand against such dangerous practices that defy the most elementary norms of the international law, must work for the adoption of resolute measures, to put an end to such acts that cannot be admitted, under any circumstances, in the international life. Everything must be done to ensure the full security of flights, the observance of the rules of air havigation, of all the norms that regulate interstate relations.

In the spirit of its consistent peace and collaboration policy, Romania has firmly stated for the elimination of all acts of force and threat of force from international relations, for an exclusively political, negotiated settlement of all litigious interstate issues.

COAL INDUSTRY SHOWS 'OUTSTANDING' ACHIEVEMENTS

AU041153 Bucharest AGERPRES in English 1140 GMT 4 Feb 86

[Text] Bucharest AGERPRES 4/2/1986 -- Romanian coal industry concluded the first month of the year with outstanding achievements. The plan for this period was topped by large amounts of lignite, brown coal and mineral coal. The average daily extra hewing reached 18,000 tons of steam and coking coal. Seven of the nine large units of the coal industry recorded substantive toppings and the open-cast units reached the parametres planned for January. The additional output of the Rovinari combine, for instance, was of 19,000 tons lignite in January. In another coalfield, at Motru, miners hewed additionally more than 22,000 tons of lignite since the beginning of the year. They supplied the end-users with better coal. The efficiency per post rose by 6-8 percent of the mines of Lupoaia, Horasti, Motru-Vest and Plostina. At the same time vast additional works were done in the coalfield of Oltenia for opening new layers and preparations for increasing the reserves of coal to be exploited. Outstanding successes were reported also by the miners in the Jiu valley, the Comanesti field and the units under the Ploesti mining combine.

TANJUG ANALYZES REAGAN STATE OF UNION ADDRESS

LD051347 Belgrade TANJUG Domestic Service in Serbo-Croatian 0833 GMT 5 Feb 86

[Text] Washington, 5 Feb (TANJUG) -- Obviously obsessed by the renewed might of the United States and its dominating role in the world, President Reagan, in his State of the Union address to both houses of Congress, claimed that the "United States is an economic miracle, a model to which the world is once again turning." In his speech about the entry into the 21st century, Reagan said that "the hopes of the world rest on the future of the United States"!

In his speech, carried by U.S. television, Reagan claimed that during his term of office, the United States has experienced "a big recovery," that the United States is once again standing on its feet and that it is ready to enter the 21st century. "The United States is ready; the United States can win this race for the future, and it will win it," was Reagan's message to Americans.

As he often does, Reagan, who tomorrow will enter the 76th year of his life, last night again spoke more about the future than about the present, more about successes than about problems. He reminded his compatriots that "for 37 months the United States has been experiencing an economic revival, 9 million jobs have been created, inflation is a mere 4 percent." He did not mention, however, two mammoth deficits: $200 billion in the budget and $150 billion in trade.

He did support the stand by Congress that budget expenditures should be balanced by the end of the decade, although during the past 5 years of his presidency he has contributed more to higher budget deficints than any of his predecessors. He advocated preserving a strong national defense and said that its resources cannot be whittled down as long as there is "danger from the USSR."

Reagan also said that he hopes that the "Geneva summit" and the forthcoming Gœrbachev visit to the United States will "stabilize relations between the United States and the USSR. If the USSR really wants an agreement on a genuine reduction in nuclear arms, then such an agreement will come about."

In the part of his speech dealing with foreign policy, Reagan said his "star wars" program was an important and historic a challenge for the United States as sending a man to the moon. He went on to claim that this "space initiative" will "free the world" from nuclear weapons.

Reagan paid special attention to insurgent forces and counterrevolutionary groups in Afghanistan, Cambodia, Angola, and Nicaragua, whose members he happened to call "freedom fighters." On behalf of the United States he promised that they "will not be alone"; "the United States will give you both moral and material support not only to fight and die but to fight and win."

Behind these words of Reagan there is the U.S. Administration's intention to ask Congress, in the next few days, for about $100 million in nonmilitary and military aid for the "contras" in Nicaragua. As far as Reagan is concerned, he said "that there is no issue more important for peace in our hemisphere, for the security of our borders, for the protection of our vital interests."

FINANCIAL AGREEMENTS WILL EASE DEBT REPAYMENTS

Agreement With IMF

LD031918 Belgarade TANJUG in English 1734 GMT 3 Feb 86

[Text] Belgrade, January 3 (TANJUG) -- Yugoslavia and the International Monetary Fund today reached agreement on a number of outstanding questions, making it possible to bring their current stand-by arrangement, due to expire on May 15, to a successful conclusion.

In their consultations, representatives of the Yugoslav Federal Government and the IMF mission also agreed on the content of a request for adopting a decision to establish relations between Yugolsavia and the Fund in the form of enlarged access (under Art. 4 of the Fund statute). This should make it possible to realize the already signed agreement rescheduling over a number of years a part of Yugoslavia's debt to foreign creditors-commercial banks and to reach similar agreements with the governments of creditor-countries.

Convertible currency countries account for a considerable share of Yugoslavia's external debt which exceeds 20 billion dollars and whose repayments at high interest rates heavily burden Yugoslavia's economy. On several past occasions the IMF enabled the refinancing of Yugoslav debts, but exclusively over the one-year period. In talks so far Yugoslav government representatives insisted on the possibility of refinancing the debts to Western creditors over a number of years.

Rescheduled Payments to U.S.

LD051403 Belgrade TANJUG Domestic Service in Serbo-Croatian 1315 GMT 5 Feb 86

[Text] Belgrade, 5 Feb (TANJUG) -- An agreement was signed in the Jugobank-Associated Bank today with the Export-Import Bank in Washington abut rescheduling repayment of the capital due between 1 January 1985 and 15 May this year. The agreement refers to direct and guaranteed credits. The agreement was signed by Mr John Scanlan, U.S. ambassador to Yugoslavia, on the U.S. side, and by the representatives of 10 Yugoslav business banks. The Associated Bank-Jugobank was playing the role of the coordinator in all this.

According to the aforementioned agreement, a total of $105 million in direct and guaranteed credits will be rescheduled. This rescheduling exercise covers the repayments due to be paid by Yugoslav associated labor organizations: Hemijska Industrija-Pancevo, RMK Zenica, Boris Kidric Ironworks in Niksic, Jesenice Ironworks, Energoinvest, JAT, Krsko Nulcear Power Plant, RMHK Trepca, RTB Bor, Viktor Lenac Shipyard in Rijeka, RTV centers, and others. Present cooperation between the Yugoslav banks and the EXIM Bank has been assessed as good and mutually useful. This financial institution, it was reiterated on this occasion, will leave the door wide open for new business with Yugoslavia in the future as well. Confidence was expressed in our banking system and in the measures being taken to consolidate the Yugoslav economy.

A 10 year deadline and a 9.97 percent rate of interest were approved for this rescheduling arrangement.